

Multiple Choice

Identify the letter of the choice that best completes the statement or answers the question.

- ___ 1. A real estate purchase agreement contract used by a multiple listing member may be all of the following EXCEPT
 - a. receipt for earnest money.
 - b. contract up to the date of closing.
 - c. commission agreement between the seller and broker.
 - d. statement of the buyer's costs.
- ___ 2. An earnest money agreement signed by all parties is
 - a. binding on the seller.
 - b. a binding contract on the seller only if it is full price and the terms of the listing agreement are met.
 - c. revocable by the buyer for 72 hours.
 - d. only binding on the buyer.
- ___ 3. The amount of earnest money necessary for a given transaction is NOT determined by
 - a. the buyer.
 - b. the seller.
 - c. the buyer and seller.
 - d. the broker.
- ___ 4. A valid enforceable sales agreement must
 - a. contain the grantor and grantee's signatures.
 - b. be accompanied by an earnest money deposit.
 - c. be in writing.
 - d. must have monetary consideration.
- ___ 5. The process of dividing ongoing expenses and income items as of the closing date is called
 - a. prorating.
 - b. "as is" basis.
 - c. closing.
 - d. arbitrating.
- ___ 6. If a contract of sale is subject to the buyer's ability to secure a loan, and after diligent effort the buyer is unable to do so by the stated deadline, the
 - a. contract would become void.
 - b. contract would be voidable by the seller only.
 - c. buyer must be allowed additional time to meet the condition.
 - d. contract would be voidable by the buyer.
- ___ 7. The phrase "time is of the essence" means
 - a. that the broker must present the offer quickly.
 - b. that the transaction must close as soon as possible.
 - c. that punctual performance of the time limits set by the contract is essential.
 - d. little, since the phrase has no specific meaning.
- ___ 8. An earnest money agreement for the purchase of real property is
 - a. not necessary in a cash sale when the amount of earnest money paid equals the purchase price.
 - b. a legally enforceable contract which is binding on the seller as soon as it is signed by the buyer if the price and terms of the listing agreement are met exactly.
 - c. legally enforceable and binding on the buyer as soon as it is signed by him.
 - d. enforceable when the seller signs it and the buyer is notified of the seller's acceptance.

- ___ 9. What should a salesperson do if he receives a second bona fide offer after one offer has already been submitted to the seller but not yet accepted or rejected?
- Allow the first purchaser to meet the second offer before submitting it
 - Hold the second offer until a decision is made on the first offer
 - Submit the second offer immediately
 - Submit the second offer only if it is better than the first
- ___ 10. In the form real estate contract provided for Realtors in Georgia, the Binding Agreement Date is
- the same as the contract date.
 - the date of acceptance of the offer.
 - the date the acceptance of the offer has been communicated to the offeror.
 - the date that the broker accepts the offer.
- ___ 11. A real estate licensee may advise sellers or buyers regarding which of the following?
- Which deed form to use
 - How to take title
 - Tax implications on the sale or purchase
 - Choices of financing for the transaction
- ___ 12. When a seller wishes to convey title by means of a statutory deed form, the salesperson
- can advise the seller which deed form to use.
 - can help the seller fill in the blanks.
 - can advise the buyer which tenancy to use.
 - can fill it out for the buyer.
- ___ 13. If title to real property remains in the seller's name after it is sold on an installment payment plan, the buyer would have purchased it under
- an FHA mortgage.
 - a conventional mortgage.
 - a contract for deed.
 - a VA loan.
- ___ 14. When buying property under a land sales contract, which of the following does the buyer receive immediately?
- Possession
 - Title
 - Encumbrances
 - Estate in fee simple
- ___ 15. From the following, select the parties to a land sales contract
- Lessor-Lessee
 - Mortgagor-Mortgagee
 - Grantor-Grantee
 - Vendor-Vendee
- ___ 16. If the vendee is in default, the vendor
- cannot pursue the right of foreclosure.
 - is in title.
 - no longer has equitable title.
 - retains color of title.
- ___ 17. Which of the following is true of a land sales contract?
- Beneficiary holds naked legal title
 - Purchaser holds equitable title
 - Vendee holds full legal title
 - Mortgagor holds title

- ___ 18. At the time the expiration of an option to purchase, the optionee
- a. can request his deposit back.
 - b. can renew the option or the same time period and terms.
 - c. can repossess the property.
 - d. forfeits his option money if he doesn't buy the property.
- ___ 19. The legal grace period in an option to purchase real estate is how long?
- a. 72 hours
 - b. 5 days
 - c. 30 days
 - d. There is no grace period
- ___ 20. Howard signed an option with Paula giving Paula the "right to purchase" in 90 days. Paula decided she did not want the property and did not exercise her option. Howard can
- a. sue for specific performance.
 - b. sue for damages.
 - c. sue for specific performance and damages.
 - d. do nothing.

True/False

Indicate whether the sentence or statement is true or false.

- ___ 21. Money paid upon signing of a contract of sale by the offeror is called earnest money.
- ___ 22. In most residential purchase agreements, the purchaser has the right to withdraw from the purchase without forfeiture of the earnest money if he cannot obtain necessary financing.
- ___ 23. After the seller has accepted an offer, the sales agent should deliver a copy of the agreement first of all to the lender.
- ___ 24. The vendor holds legal title to real property when a land sales contract has been entered into between the seller of the property and a buyer.
- ___ 25. If a person has the right to rent a house and the guaranteed opportunity to buy it at a fixed price at a later date, he would have what is known as a lease with option to buy.
- ___ 26. Earnest money is required to make a sales contract enforceable.
- ___ 27. If the buyer needs possession prior to closing a separate rental agreement should be used.
- ___ 28. Any item of personal property to be sold with the real estate must be handled with a bill of sale.
- ___ 29. "Time is of the essence" means that the time limits set by the contract must be faithfully observed or the contract is voidable by the defaulting partner.
- ___ 30. During the period beginning with the buyer and seller signing the contract and the seller delivering the deed, the buyer is said to hold "equitable title" to the property.