

RE 310 – Principles of Real Estate
Sample Exam Questions – Agency and Sales – Solutions

Dr. Stanley D. Longhofer

- _____ 1. Which of the following is NOT required for a real estate sales contract to be valid?
- A. Both the buyer and the seller must agree to the exact same terms.
 - B. Each party to the transaction must give up something of value.
 - C. Both parties must be of legal age and mentally competent
 - D. The contract must be in writing.
 - E. **ALL OF THE ABOVE ARE REQUIRED FOR A REAL ESTATE SALES CONTRACT TO BE VALID.**
- _____ 2. With a(n) _____ one authorized agent receives a commission regardless of who sells the property, even the property owner.
- A. exclusive-agency listing
 - B. **EXCLUSIVE RIGHT TO SELL LISTING**
 - C. net listing
 - D. multiple listing
 - E. open listing
- _____ 3. Sarah is a buyer broker for a client that is interested in purchasing a property listed by Abe, another broker in Sarah's office. Which of the following statements is most correct?
- A. Both Sarah and Abe must act as transaction brokers for their clients because they work in the same office.
 - B. Sarah becomes a sub-agent for Abe's client and her agency relationship with the buyer is terminated.
 - C. **SARAH AND ABE MAY EACH ACT AS DESIGNATED AGENTS FOR THEIR RESPECTIVE CLIENTS, WITH ANOTHER BROKER IN THEIR OFFICE ACTING AS A TRANSACTION BROKER.**
 - D. Abe becomes a sub-agent for Sarah's client and his agency relationship with the seller is terminated.
 - E. None of the above statements are correct.
- _____ 4. A subagent
- A. cannot be used in Kansas.
 - B. **HAS THE SAME DUTIES TO THE PRINCIPAL AS THE ORIGINAL AGENT.**
 - C. is only responsible to the original agent, not the principal.
 - D. is usually an obnoxious person.
 - E. relieves the original agent of his or her responsibilities.

- _____ 5. True or **FALSE**: A real estate agent may withhold information from his or her client if doing so will help facilitate the sale.
- _____ 6. True or **FALSE**: Multiple listing services usually require the same commission be charged by all brokers that are members of the system.
- _____ 7. Which of the following elements is NOT necessary for an agent to be guilty of misrepresentation?
- A. **INTENTION TO MISLEAD**
 - B. Making a false statement material to a transaction
 - C. Client justifiably relies on a statement
 - D. Injury results to the client
 - E. All of the above a elements of misrepresentation
- _____ 8. With a(n) _____ the seller retains the right to employ any number of brokers or agents, and pays a commission only to that broker that successfully produces a ready, willing, and able buyer.
- A. exclusive-agency listing
 - B. exclusive right to sell listing
 - C. net listing
 - D. multiple listing
 - E. **OPEN LISTING**
- _____ 9. **TRUE** or False: A seller's agent must reveal known defects in the property to the buyer, even if the seller asks for the information to be kept confidential.
- _____ 10. With a(n) _____ one broker is authorized to act as the exclusive agent of the seller. Nevertheless, the seller retains the right to sell the property without obligation to the broker.
- A. **EXCLUSIVE-AGENCY LISTING**
 - B. exclusive right to sell listing
 - C. net listing
 - D. multiple listing
 - E. open listing
- _____ 11. In real estate, the _____ may sue for specific performance to have a contract fulfilled?
- A. seller
 - B. **BUYER**
 - C. listing broker
 - D. buyer's broker
 - E. All of the above

- _____ 12. True or **FALSE**: Real estate brokers are always employed by the seller.
- _____ 13. A state license is required for anyone who
- A. sells his or her own property.
 - B. SELLS PROPERTY FOR OTHER PEOPLE.**
 - C. buys real estate for investment purposes.
 - D. Both B and C.
 - E. None of the above
- _____ 14. The Real Estate Revolving Recovery Fund is used to compensate
- A. real estate agents whose clients fail to pay the agreed commission.
 - B. INDIVIDUALS WHO HAVE BEEN HARMED BY A REAL ESTATE AGENT WHO FAILED TO ABIDE BY KANSAS REGULATIONS.**
 - C. local jurisdictions that have delinquent tax claims against a property owner.
 - D. Both A and B.
 - E. Both B and C.
- _____ 15. True or **FALSE**: Commission rates for real estate firms are usually set by the local real estate board.
- _____ 16. The primary difference between a real estate broker and a real estate salesperson is that
- A. real estate salespersons are not “brokers” in the general sense of the word.
 - B. real estate salespersons need not be licensed by the government, but brokers must be licensed.
 - C. REAL ESTATE SALESPERSONS MUST WORK FOR LICENSED REAL ESTATE BROKER RATHER THAN OPERATE THEIR OWN BROKERAGE OPERATION.**
 - D. real estate brokers need not be licensed by the government, but salespersons must be licensed.
 - E. There is no difference between a real estate salesperson and a real estate broker.