

RE 310 – Principles of Real Estate
Sample Exam Questions – Real Property Rights – Solutions

Dr. Stanley D. Longhofer

- _____ 1. Land refers to
- A. the surface of the earth only.
 - B. THE SURFACE OF THE EARTH, PLUS EVERYTHING ABOVE AND BELOW IT FROM THE CENTER OF THE EARTH EXTENDING TO “THE HEAVENS.”**
 - C. the surface of the earth and the minerals found below ground.
 - D. the surface of the earth and any natural items found on the surface (e.g., trees, rocks, etc).
 - E. None of the above
- _____ 2. Water rights in Kansas are based on the Prior Appropriate Doctrine. The basic idea behind this doctrine is that
- A. THE FIRST PROPERTY OWNER TO FIND A PRODUCTIVE USE FOR THE WATER HAS THE RIGHT TO USE IT.**
 - B. the first-property to have access to the water (e.g., someone with land upstream on a river) has the right to use it.
 - C. all property owners have the right to use the water in any way they please, as long as their use does not limit how other property owners can use the water.
 - D. no property owner has the right to use water running across his or her land.
 - E. None of the above
- _____ 3. If you own a fee simple interest in real estate,
- A. your interest can be revoked by the person who granted it to you.
 - B. you are unable to pass on your interest to your heirs.
 - C. YOU HOLD THE FULLEST AND MOST COMPLETE INTEREST POSSIBLE.**
 - D. you can use the property, but you cannot possess it.
 - E. None of the above.
- _____ 4. Joshua deeds some property to WSU “on the condition that Division 1 football be restored on campus within 10 years.” Which of the following statements is most correct?
- A. Josh no longer has any interest in the property.
 - B. WSU holds a fee simple interest in the property.
 - C. Josh has no means of enforcing his requirement.
 - D. IF WSU FAILS TO REINSTATE FOOTBALL JOSH CAN RECLAIM TITLE TO THE PROPERTY.**
 - E. None of the above.

- _____ 5. The key difference between an ordinary fixture and a trade fixture is that
- A. **A TRADE FIXTURE CAN BE REMOVED BY THE TENANT UPON THE EXPIRATION OF THE LEASE, WHEREAS AN ORDINARY FIXTURE MUST REMAIN WITH THE REAL ESTATE.**
 - B. an ordinary fixture can be removed by the seller, whereas a trade fixture must remain with the real estate.
 - C. there is never any dispute over whether an item is a trade fixture.
 - D. there is never any dispute over whether an item is an ordinary fixture.
 - E. None of the above.
- _____ 6. True or **FALSE**: A key advantage of cooperative ownership is that each individual member may sell or mortgage his own unit.
- _____ 7. Which of the following terms best describes an item that was once personal property but has become real property because it is attached to real estate?
- A. An appliance
 - B. An easement
 - C. An encroachment
 - D. **A FIXTURE**
 - E. None of the above
- _____ 8. The essential characteristics of condominium ownership is best described as
- A. an association in which each tenant has a lease governed by corporate bylaws.
 - B. a planned development of residential and commercial units.
 - C. ownership of the property by a corporation with each tenant owning shares in the corporation
 - D. **INDIVIDUAL OWNERSHIP OF UNITS WITH JOINT OWNERSHIP OF COMMON AREAS.**
 - E. None of the above.
- _____ 9. True or **FALSE**: In order to jointly own real estate with another person, you must enter into a partnership.
- _____ 10. Water rights in most of the Eastern United States operate under the Riparian Doctrine. The basic idea behind this doctrine is that
- A. the first property owner to find a productive use for the water has the right to use it.
 - B. the first-property to have access to the water (e.g., someone with land upstream on a river) has the right to use it.
 - C. **ALL PROPERTY OWNERS HAVE THE RIGHT TO USE THE WATER IN ANY WAY THEY PLEASE, AS LONG AS THEIR USE DOES NOT LIMIT HOW OTHER PROPERTY OWNERS CAN USE THE WATER.**
 - D. no property owner has the right to use water running across his or her land.
 - E. None of the above

- _____ 11. Jeremy and Kellie bought a retail strip center, taking title as joint tenants with right of survivorship. If Jeremy dies, which of the following is most true about ownership of the center?
- A. Kellie keeps her original interest, and Jeremy's interest goes to Jeremy's heirs.
 - B. Kellie holds a life estate in Jeremy's interest in the property.
 - C. **KELLIE RECEIVES JEREMY'S INTEREST IN THE PROPERTY.**
 - D. Kellie loses her own interest in the property.
 - E. None of the above.
- _____ 12. Bert is selling his house to Ernie. Several years ago, Bert built a custom wood deck with a built-in hot tub on the back of the house. Based on this information, which of the following statements is most correct about the hot tub.
- A. Bert may take the hot tub with him when he moves out as long as he repairs any damage to the deck.
 - B. **THE HOT TUB MUST STAY WITH THE HOUSE BECAUSE THE DECK WAS SPECIALLY DESIGNED TO ACCOMMODATE THE HOT TUB.**
 - C. Bert may take the hot tub with him because it was not installed inside the house.
 - D. The hot tub must stay with the house because it would be considered a trade fixture.
 - E. Bert may take the hot tub with him because he was the one who installed it.
- _____ 13. Which of the following terms best describes an item that was once personal property but has become real property because it is attached to real estate?
- A. An appliance.
 - B. An easement.
 - C. An encroachment
 - D. **A FIXTURE.**
 - E. None of the above.
- _____ 14. Harold deeds some land to Mary through an ordinary life estate. She then sells her interest in the land to George. Mary has a son, Simon. Which of the following statements is most correct?
- A. Upon George's death Simon will receive the land.
 - B. Upon Mary's death Simon will receive the land.
 - C. Upon George's death Harold will receive the land.
 - D. **UPON MARY'S DEATH, HAROLD WILL RECEIVE THE LAND.**
 - E. None of the above.
- _____ 15. Which of the following is NOT a basic legal right one might have in real estate?
- A. Use the property within limits established by the government.
 - B. Exclude others from the property.
 - C. Possess the property.
 - D. Choose the means of disposing of the property.
 - E. **ALL OF THE ABOVE ARE BASIC LEGAL RIGHTS ONE MIGHT HAVE IN REAL ESTATE.**

- _____ 16. **TRUE** or False: When a business owner moves out of leased space, he has the right to remove any trade fixtures from the premises, as long as he repairs any consequential damage to the property.