

**RE 310 – Principles of Real Estate**  
Sample Exam Questions – Urban Economics

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- \_\_\_\_\_ 1. Which of the following is NOT an important factor in explaining why and how cities develop in particular areas?
- A. The area provides a natural break between different transportation methods
  - B. The area provides an attractive climate and amenities
  - C. The areas has an abundance of natural resources
  - D. The area has a skilled labor force
  - E. All of the above help explain how cities develop
- \_\_\_\_\_ 2. The key idea behind “price-distance relationships” is that
- A. Agricultural users prefer to be located away from the center of the community
  - B. Land-use patterns are determined by the willingness of different users to pay for the land
  - C. Zoning regulations are set up based on an analysis of these relationships
  - D. Commercial users always pay the highest rents
  - E. None of the above
- \_\_\_\_\_ 3. Which of the following theories of urban development suggests that cities will develop outward leading to a “hollow-shell” effect?
- A. Axial theory
  - B. Concentric circle theory
  - C. Multiple nulcei thoery
  - D. Sector theory
  - E. All of the above
- \_\_\_\_\_ 4. Which of the following theories of urban development suggests that cities will develop along transportation lines?
- A. Axial theory
  - B. Concentric circle theory
  - C. Multiple nulcei thoery
  - D. Sector theory
  - E. All of the above
- \_\_\_\_\_ 5. Which of the following would NOT be considered part of the created environment?
- A. Utilities
  - B. Climate
  - C. Transportation facilities
  - D. Housing
  - E. All of the above are a part of the created environment

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- \_\_\_\_\_ 6. True or False: The process of neighborhood deterioration and decline is inevitable.
- \_\_\_\_\_ 7. Which of the following theories of urban development suggests that land-use patterns remain fairly uniform as you move out in one direction from the city center?
- A. Axial theory
  - B. Concentric circle theory
  - C. Multiple nuclei theory
  - D. Sector theory
  - E. All of the above
- \_\_\_\_\_ 8. Which of the following theories of urban development is the most relevant for explaining how cities in the United States have developed?
- A. Axial theory
  - B. Concentric circle theory
  - C. Multiple nuclei theory
  - D. Sector theory
  - E. All of the above
- \_\_\_\_\_ 9. Which of the following helps explain why development tends to occur more frequently on the fringes of urban areas?
- A. Communities generally subsidize fringe development.
  - B. It is easier to acquire land on the fringes.
  - C. Zoning and other approvals are typically easier to obtain on the fringes.
  - D. Both A and B
  - E. Both B and C
- \_\_\_\_\_ 10. The term \_\_\_\_\_ refers to industries that bring income into a region from beyond its borders.
- A. economic base
  - B. import
  - C. gentrification
  - D. expatriation
  - E. None of the above
- \_\_\_\_\_ 11. All of the following factors affect urban growth patterns EXCEPT:
- A. Natural geographic barriers
  - B. The fixed location of real estate
  - C. Availability of public services such as water and sewer lines
  - D. Transportation lines such as railways and roads
  - E. All of the above help explain urban growth patterns

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- \_\_\_\_\_ 12. As a neighborhood is revitalized, \_\_\_\_\_ may occur as lower-income residents are displaced by higher-income residents.
- A. filtering
  - B. flight
  - C. gentrification
  - D. in-filling
  - E. None of the above
- \_\_\_\_\_ 13. A weight-gaining production process is one that
- A. Requires little physical exertion, causing the line worker to become overweight
  - B. Should be located near raw materials to minimize transportation costs
  - C. Should be located near prospective consumers to minimize transportation costs
  - D. Combines relatively bulky inputs to create a less-bulky finished good
  - E. None of the above
- \_\_\_\_\_ 14. The key idea behind “price-distance relationships” is that
- A. Land-use patterns are determined by the willingness of different users to pay for the land
  - B. Zoning regulations are set up based on an analysis of these relationships
  - C. Agricultural users prefer to be located away from the center of the community
  - D. Commercial users always pay the highest rents
  - E. None of the above