

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

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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

- _____ 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

- _____ 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