

## Illinois Real Estate Exam Prep Online

**Section:** Illinois Real Estate Exams • **Total Questions:** 10 • **Format:** Verified Q&A

**1. A broker's trust account shows Client A with a \$1,000 negative balance and Client B with \$2,000. This is:**

- (A) okay because there is enough to cover the shortfall.
  - (B) a violation of the real estate license laws.
  - (C) a violation of federal banking regulations.
  - (D) okay because Client A will deposit \$1,000 before Client B withdraws.
- 

**2. Prepaid rent \$600 received Sept 1; closing Sept 17 (seller responsible for closing day). Buyer credit:**

- (A) \$340
  - (B) \$320
  - (C) \$280
  - (D) \$260
- 

**3. Sellers accept earnest money and a written offer to purchase their home. They sign the contract, failing to notice they will be carrying a second mortgage note for 3 years. They want to cancel the contract. Can the sellers cancel this contract?**

- (A) No, because a signed and accepted contract is valid.
  - (B) No, because Regulation Z does not apply since no lender was involved.
  - (C) Yes, if they can show that the negotiations were ambiguous.
  - (D) Yes, if they can prove that they are financially incapable.
- 

**4. Licensee A receives an offer below the listed price from Licensee B who works for the buyer. Licensee B tells Licensee A that the buyer loves the house and will pay full price. Has Licensee B violated the law of agency**

- (A) Yes, unless the Licensee A agrees to keep this disclosure from the seller
  - (B) Yes, because disclosing the buyer's intention is a breach of Licensee B's duty of loyalty
  - (C) No, because Licensee B's disclosure was made to another licensee, not to a principal
  - (D) No, because Licensee B's disclosure is in the principal's best interest
-

**5. The buyer asks if there are any sex offenders in the neighborhood. The listing agent's most appropriate response would be to**

- (A) ask the seller and then pass the seller's information along to the buyer.
  - (B) contact the local police department to obtain the most updated information.
  - (C) go to the state's website and obtain the information and give it to the buyer.
  - (D) give the buyer the website address where the buyer can look up that information.
- 

**6. In Illinois, a sponsoring broker may be subject to disciplinary action upon proof of**

- (A) offering a property for sale with terms that are different from those agreed to with the seller.
  - (B) refusing to accept a listing because the seller holds only equitable title under an installment land contract.
  - (C) charging more than the rate of commission customarily charged by the broker's office.
  - (D) sending a referral fee to a licensed Wisconsin real estate broker.
- 

**7. A real estate licensee is a partial owner of a local inspection company. It is permissible for the licensee to tell all clients to use this company when**

- (A) it is in the best interest of the client.
  - (B) the licensee does not know any of the other title companies in the area.
  - (C) the client does not ask for other recommendations.
  - (D) the licensee discloses the interest in the company to the client.
- 

**8. A developer borrows \$250,000 to build an office building. The developer secures the loan with the equity in a separate residential rental property. Does the Truth-in-Lending Act apply to this loan**

- (A) No, because it is for more than \$100,000
  - (B) No, because it is for a business purpose
  - (C) Yes, because it is for less than \$500,000
  - (D) Yes, because it is secured by a residence
- 

**9. A 15-year-old inherited some property from a grandparent. The 15-year-old put the property on the market and accepted an offer. Could the 15-year-old legally reverse the agreement to sell?**

- (A) Yes, the contract is void because the seller is a minor.
  - (B) Yes, the contract is voidable because the seller is a minor.
  - (C) Yes, the contract is unenforceable because the seller is a minor.
  - (D) No, the contract is valid and may not be rescinded.
-

**10. Which of the following is a correct statement regarding a listing licensee's duty to disclose a known environmental issue on a property**

- (A) If the seller did not disclose this issue, there is no liability for the licensee
- (B) It is always the buyer's duty to exercise due diligence, so the licensee has no particular duty
- (C) A licensee may be liable if the licensee knew or should have known of an environmental issue and did not disclose
- (D) The licensee's duty to disclose environmental hazards or issues is limited to those the licensee has personally observed