New Jersey Real Estate Broker Practice Exam

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

1. In general, option contracts for real estate

(A) are not binding on the seller.
(B) are binding on the buyer.
(C) are for very short terms.
(D) must be in writing.

2. Quality Supermarkets has taken occupancy of a retail building and has a long term lease. As part of their fit-up, they bolt to the floor their meat and dairy coolers, shelves and check out stands. When Quality Supermarkets vacates the property at the end of the lease, will Quality Supermarkets be legally entitled to remove these fixtures?

(A) No, because they are trade fixtures.
(B) Yes, because they are appurtenances.
(C) No, because they are bolted to the floor.
(D) Yes, if removed prior to the end of the lease.

3. The mortgagee will usually require an appraisal to ensure that the

(A) Purchaser is not paying more than fair market value.
(B) Buyer has sufficient income to meet the monthly payments.
(C) Selling price is competitive with similar properties.
(D) Value of the property is sufficient to secure the loan.

4. The clause designed to ensure that a broker will receive a commission if negotiations with a ready, willing, and able buyer are completed after the listing has expired is called

(A) an acceleration clause.
(B) an alienation clause.
(C) a coinsurance clause.
(D) an extension or 'tail' clause.

5. All interests in realty must be recorded in order to

(A) comply with Internal Revenue Service requirements.
(B) establish the basis for the transfer tax.
(C) provide constructive notice of the interest.
(D) comply with state real estate license law and rules.

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6. The broker's principal is the seller. The buyer is a customer from a different brokerage company. The broker may be guilty of misrepresentation if the broker knows, but chooses NOT to disclose, that the

(A) park behind the home will become a highway in two months.
(B) neighborhood has been the scene of violent crime recently.
(C) seller must be out of the house in another month.
(D) demographics of the neighborhood are changing.

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7. A buyer wrote an offer to purchase a seller's property, which was listed at $175,000. The listing stated all appliances came with the sale. The buyer's offer was $165,000 with all appliances. The seller countered $170,000 with no appliances. The buyer countered the seller's counteroffer at $162,000 and did not reference the appliances. The seller then countered the buyer's latest counteroffer at $165,000 and the buyer accepted. Which of the following is true with regard to the appliances?

(A) The buyer can expect the appliances to be included in the transaction because they were listed in the advertising
(B) The appliances would be included as they were mentioned in the earlier $165,000 offer.
(C) The appliances were removed in the counteroffer and never reinstated in subsequent offers.
(D) The seller will have to include the appliances as they were not excluded in the final counteroffer

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8. A listing agent presents a signed offer to a seller who then changes the amount of the down payment. Before presenting the counteroffer to the buyer, the New Jersey Real Estate License Law requires the listing agent to

(A) obtain the consent of the listing broker.
(B) secure the seller's initials confirming the revision.
(C) prepare a separate addendum that reflects the revision.
(D) verbally inform any buyer's agent of the proposed revision.

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9. Which of the following is an accurate description of 1 acre of land?

(A) 5,280 linear feet
(B) 1 square mile
(C) one-fourth of a section
(D) 43,560 square feet

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10. Rules for Truth in Lending and RESPA call for disclosure documents to borrowers. How can principal broker best prepare associated licensees to manage these disclosures?

(A) The buyer's principal broker can provide samples so that when the licensee and the borrower prepare the forms they are following a good example.

(B) Because the lender has primary responsibility to provide these forms, the principal broker and licensees should be aware of the items required for the lender to comply.

(C) The principal broker should train licensees to advise borrowers to accept the Loan Estimate right away.

(D) Because the listing principal broker will be primarily responsible for completing the Loan Estimate to send to the lender, the broker should train associated licensees to collect all the necessary information in a timely fashion.