

New Jersey Real Estate Exam Practice Test

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

1. The major advantage of ownership in severalty is:

- (A) flexibility in making decisions
 - (B) sharing the risk with others
 - (C) joint decision making
 - (D) the risks are high
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2. A national company desires a parcel of land which must be 4 × the size of its proposed building. If the building design includes 20,000 square feet, then which of the following minimum sized lots should be purchased?

- (A) 1 acre
 - (B) 2 acres
 - (C) 4 acres
 - (D) 8 acres
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3. A local realty company sponsored a booth at a summer festival. Licensees distributed information regarding current listings. Some of the attendees interested in looking at the properties left their phone numbers and email addresses. Can the licensees contact the interested attendees even if they are listed on the national Do-Not-Call Registry

- (A) Yes because a business relationship exists licensees may contact the attendees
 - (B) Yes because licensees may contact consumers for 3 months after they make an inquiry or submit an application
 - (C) No because licensees cannot call the attendees but they can email them
 - (D) No because licensees cannot contact people if they are on the Do-Not-Call Registry
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4. Title insurance guarantees that

- (A) there are no encumbrances on the property.
 - (B) the property title will be held by the lender until the loan is paid
 - (C) the buyer and lender are protected from losses due to unrecorded encumbrances.
 - (D) the buyer and lender are protected from title actions related to recorded liens against the property.
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5. A contract of sale prepared by a licensee MUST include an attorney review clause if it pertains to which of the following types of properties

- (A) Six-family dwelling unit, a portion of which is used for non-residential purposes
 - (B) Commercial building that does not exceed 10,000 square feet
 - (C) Subdivision of fifteen or more lots
 - (D) Single family residential vacant lot
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6. A property is described as follows: ""Beginning at the concrete post set 105' Southwest of the Southwest corner of the intersection of State Highways 35 and 82 in Ross County; thence South 288'; thence West 355'; thence North 288'; thence East 320'."" Which of the following is true of this property description?

- (A) It is perfect because it uses a man-made point of beginning.
 - (B) It is perfect because it uses an intersection of highways to locate the point of beginning.
 - (C) It is imperfect because it is measured in feet instead of rods.
 - (D) It is imperfect because it does not end at the point of beginning.
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7. While a licensee representing a buyer is showing a property, the seller tells the buyer that the attic has 16 inches of insulation. The licensee observes that there are only 6 inches of insulation. The licensee should

- (A) tell the seller's licensee about the discrepancy.
 - (B) wait for the home inspector to address the issue.
 - (C) make the buyer aware of the licensee's observation.
 - (D) share the information with the buyer if asked.
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8. Which of the following is normally a fixture

- (A) window air-conditioning unit
 - (B) built-in bookcase
 - (C) portable dishwasher
 - (D) refrigerator
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9. What amount of earnest money, if any, must a buyer deposit with an offer to purchase to make the purchase agreement enforceable

- (A) Three percent of the purchase price is required when financed with a government loan, 2% when financed conventionally
 - (B) No earnest money is required as long as the property is to be purchased with cash
 - (C) An earnest money deposit is not required in any real estate transaction
 - (D) A nominal \$1 valuable consideration is required
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10. Agency may be terminated at any time by

- (A) discovery of a major defect in the property.
- (B) payment of a cancellation fee to the agent.
- (C) disclosure of a conflict of interest by the agent.
- (D) mutual agreement by all parties to the contract.