

Free Tennessee Real Estate Practice Exam

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

1. A Seller's Property Disclosure form states that there are no known material defects with the property, but the listing licensee is aware of asbestos wrapped duct pipes in the basement. The licensee should

- (A) disclose the existence of asbestos to all potential buyers.
 - (B) ask the seller's permission to disclose and abide by the seller's wishes.
 - (C) suggest the buyers have a home inspection and leave discovery up to the inspector.
 - (D) suggest to the seller wrap the pipes to contain potential airborne contamination.
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2. Which of the following statements is TRUE about a designated agency?

- (A) It can only be designated as a buyer's agency with written agency agreement.
 - (B) It can only be designated as a seller's agency with written agency agreement.
 - (C) It can be designated as either buyer's or seller's agency with written agency agreement.
 - (D) It does not require a written agency agreement.
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3. Prospective buyers ask their agent whether they should test for radon. The agent should tell them

- (A) it is unlikely radon would be a problem
 - (B) non-smokers need not worry
 - (C) they should test because radon causes lung cancer
 - (D) they need not test because radon has an odor
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4. If a licensee agrees to represent a buyer, an essential element REQUIRED to create an agency relationship is

- (A) a provision for compensating the licensee.
 - (B) the client's assumed or implied consent.
 - (C) a written bilateral agreement.
 - (D) a signed confidentiality agreement.
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5. After writing a purchase contract on behalf of a buyer, the licensee leaves a copy with the buyer. The licensee then presents the offer to the seller, who accepts and signs it. The licensee MUST now give a copy of the offer to

- (A) the seller only.
 - (B) the buyer only.
 - (C) the seller and buyer.
 - (D) his broker with the original to the seller.
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6. The secondary mortgage market buys mortgages from

- (A) retirement funds
 - (B) banks
 - (C) insurance companies
 - (D) the Treasury Department
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7. Which listing would allow more than one brokerage firm to work simultaneously to sell the owner's property and claim the full commission?

- (A) an exclusive listing
 - (B) a written listing
 - (C) an open listing
 - (D) an exclusive right-to-sell listing
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8. A broker may legally refuse to accept a listing

- (A) at any time, for any legitimate reason.
 - (B) only if the owner's instructions are illegal.
 - (C) only if the seller cannot give clear title to the property.
 - (D) under no circumstances; all owners are entitled to professional representation in the sale of their property.
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9. An agent is contacted by an out-of-state couple who wish to sell a local home that they have recently inherited. The couple suggest a listing price of \$80,000 and indicate that they wish to sell in a hurry. The agent, who knows that homes in that area of town have been selling in the \$125,000 price range, should

- (A) suggest a market analysis to determine the price prior to listing the home
 - (B) accept the listing at \$80,000 because it will probably result in the quick sale the couple wants
 - (C) secure a net listing
 - (D) explain to the couple that, even without looking at it, the location alone would suggest that the home must be worth at least \$120,000
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10. Which of the following is the best example of the protection offered by the Americans with Disabilities Act (ADA) to a person with a disability?

- (A) Any multi-story building with four or more dwelling units must have an elevator.
- (B) Any person with a mental disability, regardless of the degree of disability, must be allowed to rent.
- (C) A lessor must make modifications to a rental unit to allow any person with a physical disability to rent.
- (D) A person who is blind and uses a seeing eye dog must be allowed to rent in a building that does not allow pets.