

PSI Real Estate Exam Tennessee

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

1. 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.
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2. An example of modular construction is

- (A) prefabricated housing.
 - (B) an apartment building.
 - (C) a home used as a model.
 - (D) a log cabin.
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3. A licensee terminates his affiliation with a brokerage firm and secures his signed release form on August 15. On August 30, the licensee completes the change of affiliation form and mails it, via certified mail, to the Commission. Did the licensee follow CORRECT procedure?

- (A) No. The principal broker should have been the one to complete the change of affiliation form and to submit the same to the Commission.
 - (B) No. The licensee should have verbally notified the Commission of the termination the same day it occurred.
 - (C) No. The licensee should have mailed the change of affiliation form earlier, with the proper fee, so that it would have been received by the Commission by August 25.
 - (D) Yes. The licensee followed the correct procedure for change of affiliation.
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4. Was the broker correct, and why or why not?

- (A) Yes, because such a listing violates the REALTORS (R) Code of Ethics.
 - (B) Yes, because this type of listing violates the rules and regulations of the Commission.
 - (C) No, because only exclusive right to sell listings must include a definite termination date.
 - (D) No, because the listing is a contract between the client and the affiliated broker.
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5. The seller of a property has performed extensive DIY renovations that included bathroom structural changes and a room addition. Both projects required a county building permit, but no permits were obtained. What must the seller disclose about these projects to the buyer

- (A) Room addition and structural changes occurred; permits were not obtained
 - (B) Nothing; the lack of permits may not be discovered during the title search
 - (C) A violation of the building code occurred as no permits were obtained
 - (D) A new room addition occurred; structural changes occurred
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6. Did the sellers have the right to take the ceiling fan?

- (A) No, because it was a fixture in the house.
 - (B) No, because it was chattel.
 - (C) Yes, because it was the sellers' personal property.
 - (D) Yes, because it was not referenced in the contract.
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7. The two clauses that together give a lender the right to accelerate the loan and proceed with a foreclosure sale are

- (A) escalation clause and alienation clause
 - (B) foreclosure clause and alienation clause
 - (C) escalation clause and power of sale clause
 - (D) acceleration clause and power of sale clause
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8. To encourage prospective buyers to attend an open house for one of their listings, it would be permissible for a licensee to offer each visitor a

- (A) chance to win a grocery store gift card.
 - (B) choice between 10 silver dollars or a \$20 bill.
 - (C) market analysis of their current home at no charge.
 - (D) portion of the down payment they would need to buy the property.
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9. Anyone who intends to erect a new structure or to alter or repair an existing building must obtain a

- (A) survey
 - (B) building permit
 - (C) property report
 - (D) subdivision plat map
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10. A buyer offers 90 % of asking price; the seller rejects but counters at 95 %. The buyer rejects the counter. The original 90 % offer is now

- (A)** rescinded.
- (B)** null and void.
- (C)** irrevocable.
- (D)** binding.