Review Quiz – Chapter 4, Real Estate Agency

1. Real estate agencies can be created several ways. The most common method is:
   (a) agreement
   (b) estoppel
   (c) ratification
   (d) implication

2. With the permission of the seller, Broker A submits a listing to MLS inviting other brokers to help find a buyer. This is an offer of:
   (a) dual agency
   (b) general agency
   (c) cooperation
   (d) power of agency

3. A broker has an agency agreement to represent just the buyer. This is an example of a:
   (a) dual agency
   (b) single agency
   (c) in-house agency
   (d) listing agency

4. Which of the following is not correct?
   (a) all real estate salespersons must have written employment contracts with their brokers
   (b) real estate salespersons are able to contract directly in their own name as an agent with the seller
   (c) the recovery fund may be used to reimburse qualified principals and buyers for damages suffered because of certain inappropriate acts by real estate licensees
   (d) most real estate agency agreements are between sellers and brokers, not buyers and brokers

5. The Commissioner's Regulations apply to all California:
   (a) Realtors
   (b) Realtist
   (c) real estate salespersons
   (d) all of the above

6. A broker receives a deposit from a buyer with no instructions to hold the check uncashed pending the seller's acceptance of the offer. After the offer is accepted, the broker decides to put the check in a safe in the office for security purposes until the broker can get to the bank next week. The broker is:
   (a) guilty of conversion
   (b) innocent of any wrongdoing
   (c) guilty of commingling
   (d) required to place the deposit into a trust fund
7. A real estate broker, in order to entice a person to buy, states that the property conforms to all building codes. The agent knows a room was added without a building permit. The agent is guilty of:
   (a) misrepresentation
   (b) acting in a legal manner
   (c) false promise
   (d) ostensible promise

8. According to the real estate law, for supervising purposes, the relationship between a salesperson and a broker is:
   (a) fiduciary
   (b) independent contractor
   (c) employer – employee
   (d) ostensible

9. Receiving a commission from both the buyer and seller without full disclosure and approval is called:
   (a) dual agency
   (b) single agency
   (c) divided agency
   (d) implied agency

10. Real estate commissions are:
    (a) established by the California Association of Realtors
    (b) limited per the Commissioner's Code of Ethics
    (c) determined by local Boards of Realtors
    (d) negotiable