REVIEW QUIZ CHAPTER 5 – REAL ESTATE CONTRACTS

1. Buyer makes a written bonafide offer to purchase, and seller signs the acceptance. A contract is first created:
   (a) when buyer receives proper communication of seller's acceptance
   (b) immediately upon seller's acceptance
   (c) when the buyer and seller sign escrow instructions
   (d) when the broker presents the offer to the seller

2. The law that states real estate contracts must in writing to be enforceable is called the statute of:
   (a) frauds
   (b) time
   (c) contracts
   (d) limitations

3. All of the following are essential for a valid real estate contract, except:
   (a) lawful object
   (b) mutual consent
   (c) capable parties
   (d) parole evidence

4. An executed contract is a contract that is:
   (a) signed
   (b) in writing
   (c) completed
   (d) recorded

5. An owner gives Ace Realty an exclusive right to sell listing for 90 days. Thirty days later the owner finds a buyer and sells the property without the services of Ace Realty. The:
   (a) owner owes Ace Realty a commission
   (b) owner does not owe a commission
   (c) sale is voidable
   (d) two of the answers are correct

6. When the owner of a piece of leased property gives the lessee an option to buy, the option:
   (a) requires the optionee to complete the sale
   (b) is a lien on the seller's title
   (c) requires no consideration or fee
   (d) is not a purchase contract until exercised
7. If the seller refuses to sell after signing a valid purchase contract and the buyer wants the property instead of money damages, the buyer will sue for:
   (a) specific performance
   (b) reversion of title
   (c) damages
   (d) rescission

8. When an offer from a potential buyer is presented to the seller, the seller asks if the buyer is a member of a minority race. The broker presenting the offer should correctly respond as follows:
   (a) "By law and per my business practice, that information is not relevant."
   (b) "I do not know, but I will find out and let you know before you are legally required to sell."
   (c) "No, I checked them out per your request."
   (d) "Yes, I think so."

9. A real estate agent may legally refuse to show property available for sale to a person of a minority race if the:
   (a) agent feels the home was not suited for the people
   (b) owners were out of town and had left instructions the home was not to be shown to anyone during their absence
   (c) owners had given specific instructions against showing the home to minority buyers
   (d) agent felt the buyers would not like the location

10. Four separate co-buyers of a parcel of land signed a deposit receipt contract at different times and places. A copy must be:
    (a) given to the first signer only
    (b) given to each at the time they sign
    (c) given to the first and last signers only
    (d) sent to each one after the last one signed