

## Chapter 5 Questions

### Real Estate Brokerage

1. The amount of commission that is paid to salesperson Sharise is determined by
  - a. state law.
  - b. the local real estate board.
  - c. mutual agreement with her broker.
  - d. mutual agreement with the client.
  
2. Broker Janna was accused of violating antitrust laws. Of the following, she was *MOST* likely accused of
  - a. not having an equal housing opportunity sign in her office window.
  - b. undisclosed dual agencies.
  - c. price fixing.
  - d. dealing in unlicensed exchange services.
  
3. Real estate broker Todd was responsible for a chain of events that resulted in the sale of one of his client's properties. This is referred to as
  - a. pro forma.
  - b. procuring cause.
  - c. private offering.
  - d. proffered offer.
  
4. Salesperson Norman wants to be classified as a qualified real estate agent—the equivalent of holding independent contractor status. All of the following are requirements for him to meet *EXCEPT*
  - a. receive substantially all of his income from the brokerage based on production, not time worked.
  - b. be free from supervision by his broker and office manager.
  - c. hold a current real estate license.
  - d. have a written agreement with his broker stating that he will not be treated as an employee for federal tax purposes.

5. A parcel of vacant land 80 feet wide and 200 feet deep was sold for \$200 per front foot. How much money would a salesperson receive for a 60 percent share in the 10 percent commission?
  - a. \$640
  - b. \$960
  - c. \$1,600
  - d. \$2,400
  
6. A real estate salesperson, classified by the IRS as an independent contractor, receives
  - a. a monthly salary or hourly wage.
  - b. company-provided health insurance.
  - c. company-provided automobile.
  - d. negotiated commissions on transactions.
  
7. In a typical agency relationship between broker and client, the broker's commission is determined by
  - a. state law.
  - b. the local real estate board.
  - c. mutual agreement.
  - d. minimums based on the property type.
  
8. Salesperson Nellie finally concluded some extremely difficult negotiations that resulted in the sale of a listed parcel of land. For all of her extra efforts, she can legally receive a performance bonus from
  - a. the seller.
  - b. the buyer.
  - c. no one.
  - d. her broker.

9. Wella is a salesperson working for Broker Vincent. Wella sells a \$150,000 home listed with another brokerage. The listing commission is 6.5 percent of the selling price. Of this amount, 5 percent is payable to the referral network that referred the buyer, 35 percent goes to the listing broker, and 60 percent belongs to the cooperating broker. Broker Vincent and Wella agreed that she would receive 55 percent of any commission that she generated for their office. For this transaction, she is entitled to receive
- a. \$2,632.50.
  - b. \$3,217.50.
  - c. \$3,412.50.
  - d. \$5,850.00.
10. All of the following are required of a broker when seeking to collect a commission for brokering the sale of a property *EXCEPT*
- a. having a valid real estate broker's license.
  - b. having been a procuring cause in the transaction or having an exclusive-right-to-sell agreement.
  - c. having had a contract of employment—an agency representation agreement.
  - d. complying with a set commission rate set by a trade organization.
11. A broker lists a property for sale at \$100,000 with a 5 percent commission, and later obtains an oral offer from a prospective buyer to purchase the property. The seller indicates to the broker that the offer would be acceptable if it were submitted in writing. Before it can be put in writing, the buyer backs out and revokes the oral offer. In this situation, the broker would be entitled to
- a. a commission of \$5,000.
  - b. only a partial commission.
  - c. no commission.
  - d. the normal rate of commission.
12. All of the following are prohibited under the antitrust laws *EXCEPT*
- a. competing property management companies' agreeing to standardized management fees.
  - b. competing brokers allocating markets based on the value of homes.
  - c. real estate companies agreeing NOT to cooperate with a broker because of the fees that broker charges.
  - d. a broker setting a company commission schedule.

13. Landowner Shelley subdivides her acreage and offers the lots for sale. Broker Ernie tells her that he can sell the lots. After Ernie sells some of the lots, the landowner refuses to pay him a commission. The broker can
- report the landowner to the real estate licensing authorities.
  - file a lien against the landowner's remaining lots.
  - sue the landowner for breach of contract.
  - do nothing.
14. There is a spectacular house that salesperson Rameses from Aida Realty has been trying for several weeks to list for sale. The owners have been interviewing salespeople from different firms. They tell Rameses that Botchko Properties will charge a 2 percent lower commission for selling the house. What should Rameses say to the owner in order to get the listing?
- Salespeople will not show Botchko's listings because of their low commission fees.
  - Most brokers in the area charge a standard rate of commission, including Aida.
  - The Botchko firm cannot provide good services because they charge less.
  - Aida Realty provides excellent services to market their sellers' properties.
15. Broker Smith is helping a buyer and seller fill out a sales contract, but is not representing either party. Broker Smith is a(n)
- transactional broker.
  - designated broker.
  - traditional broker.
  - unlicensed broker.
16. The listing and the selling broker agree to split a 7 percent commission 50-50 on a \$196,900 sale. The listing broker gives the listing salesperson 30 percent commission, and the selling broker gives the selling salesperson 35 percent commission. How much does the selling salesperson earn from the sale?
- \$4,824.05
  - \$1,174.78
  - \$1,206.01
  - \$2,412.03

17. Unless some other written agreement has been made, broker Hugo will usually receive his brokerage commission when
  - a. the purchaser takes possession of the property.
  - b. the seller lists the property with the broker.
  - c. the transaction is closed.
  - d. an offer, procured from a ready, willing, and able buyer, has been accepted by the seller.
  
18. "Fee-for-services" means
  - a. offering real estate services in a piecemeal fashion.
  - b. allowing non-licensees to conduct real estate transactions.
  - c. working only with for-sale-by-owners.
  - d. providing consumers all the same services for a discounted price.
  
19. Each of two brokerage companies claimed full commission for the sale of a property that was listed by both of the firms under open listing agreements. The broker who is entitled to the commission is the one who
  - a. listed the property.
  - b. advertised the property.
  - c. obtained the first offer.
  - d. was the procuring cause of the sale.
  
20. The National Do Not Call Registry provides that
  - a. licensees may never contact consumers without written authorization.
  - b. consumers with whom a licensee has had a business relationship can be contacted for up to 12 months after the purchase.
  - c. licensees may not contact a previous customer if they are in the Registry.
  - d. consumers who have made an inquiry to a licensee may be contacted up to 3 months later.