

***Florida Real Estate Exam Applicants
100-Question Practice Exam.***

We recommend that you print this 100-question practice exam. Take the exam, and then grade it using the answer key on the last page. You should strive for a minimum score of 75% correct. Be sure to review the real estate license law and the Rules of the FREC at www.realestate-school.com.

License Law Section

1. Seller employed Broker to sell his property in Astoria Park. Broker subsequently negotiated a contract whereby Seller and Buyer agreed to sell and buy the property in Astoria Park. The contract was prepared and typed in Broker's office. As there were numerous conditions and terms that had been agreed upon by Seller and Buyer, the contract was quite long and involved. Since the amount of deposit obtained by Broker from Buyer was equal to what his commission was going to be, in the middle of one of the long paragraphs was the phrase "In the event the buyer defaults, the deposit shall be retained by the broker as his compensation." At the time Broker presented the contract to Seller and Buyer for their signatures, he made no mention of the phrase he inserted in the contract, nor did he recommend that they read the contract. However, he did not in any way try to influence them not to read it. Seller and Buyer signed the contract without reading it. In the area, a 50/50 split of defaulted deposits is customary between sellers and brokers. Buyer subsequently defaulted. Seller asked Broker for 50% of the deposit. Broker refused and showed Seller the phrase he had inserted in the contract. What should Broker do?
 - a. Share the deposit 50/50 with Buyer.
 - b. Give Seller 50% of the deposit.
 - c. Give Seller an amount equal to his expenses and keep the rest.
 - d. Observe the terms of the contract and keep the deposit.



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2. Possession of a current and valid license will be considered by a court
 - a. to have no effect.
 - b. as undeniable proof that the holder of that license may perform the services of real estate.
 - c. as sufficient evidence to prove the license status unless stronger evidence to the contrary is introduced.
 - d. as certification by the Commission that the license is in good standing.

3. A sales associate gets a signed contract from a buyer and mails it to the seller. The seller has agreed to the terms and the escrow deposit is safely in the broker's escrow account. The sales associate has a disagreement with his broker and quits. The broker refuses to pay a commission because the sales associate was not in his employ when the contract was actually received and signed. The sales associate should
 - a. notify the state.
 - b. sue the seller for his share.
 - c. sue the broker.
 - d. forget it. He is not entitled to the commission.

4. A licensee who has passed the broker's state examination, but desires to continue to operate under an owner-employer will be registered as a
 - a. broker.
 - b. sales associate.
 - c. broker associate
 - d. Realtor-Associate.

5. A hardware store owner, who is neither a real estate licensee nor a licensed or certified appraiser, was appointed by the court to appraise another hardware store. The person can
 - a. be compensated for the appraisal.
 - b. not be compensated for the appraisal unless licensed or certified.
 - c. apply for a temporary license from the Commission.
 - d. appraise any hardware store in the state without a license.

6. In order to be a licensee member of the Florida Real Estate Commission, an individual must have been licensed a minimum of
 - a. 1 year.
 - b. 2 years.
 - c. 4 years.
 - d. 5 years.



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35. Jill sells commercial property exclusively. Which is correct about her brokerage relationships?
- She may have "no official brokerage relationship" status, may be a single agent or may be a transaction broker.
 - Her broker may appoint her to be a "designated salesperson" for one party, and another person in the firm to be a "designated salesperson" for the other party in the transaction.
 - She must provide the Notice of Nonrepresentation at first contact with potential buyers and sellers.
 - a and b.
36. Which of the following is most correct?
- All sales associates work for brokers.
 - All brokers have sales associates.
 - All brokers are Realtors.
 - All Realtors must be members of NAR.
37. An example of institutional advertising would be
- an ad about a private hospital for sale
 - an ad about the outstanding service offered by a real estate firm
 - an ad describing a duplex for sale in the northern part of the county
 - an ad describing a private academy for sale
38. Which of the notices shown below **MUST** be signed by a buyer or a seller.
- Transaction Broker Notice.
 - Single Agent Notice.
 - Consent to Transition to Transaction Broker Notice.
 - Notice of Nonrepresentation.
39. John and Edward were brokers with their own firms. An economic downturn made them decide to share office space. They did not put up signs which described that the public was actually dealing with two separate firms. A BPR investigator made a routine office inspection visit. The investigator would probably issue a citation stating that this
- is an ostensible partnership.
 - is a general partnership.
 - is a violation.
- I only
 - I and II
 - I, II, and III
 - I and III
40. A broker decides to go to work for an owner-developer, and will be compensated on a salary plus commission basis. Which is correct?
- She must be licensed as a sales associate.
 - She must be licensed as a broker.
 - She need not be licensed if she confines her sales activity to the one employer.
 - She must be registered as a broker-sales associate.

Principles and Practices Section

46. Permission to use another's property that may be withdrawn at will is
- an easement appurtenant.
 - a license.
 - an encroachment.
 - a deed restriction.
47. An easement created when a person has been using a roadway without permission for over 20 years is called an
- easement by prescription.
 - easement in gross.
 - easement appurtenant.
 - easement by necessity.
48. All the following are methods of transferring legal title to real property except by
- a will.
 - a patent.
 - a sales contract.
 - eminent domain.
49. Jim, Matt and Jack were co-owners of a parcel of real property. Matt died, and his co-ownership passed, according to his will, to become part of his estate. The parties owned the property as
- tenants by the entireties.
 - tenants in common.
 - tenants at will.
 - joint tenants.
50. Which of the following is immediately south of Township 2 South, Range 6 West?
- Township 2 South, Range 7 West
 - Township 2 South, Range 5 West
 - Township 1 South, Range 6 West
 - Township 3 South, Range 6 West



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51. An owner wishes to have a survey made of a commercially-zoned parcel. It is 90 feet on the front, 159 feet on the north side, 120 feet on the back and 180 feet on the south side. It is not in a recorded subdivision. Which survey method would be most appropriate for the parcel?
- lot and block
 - rectangular
 - government survey
 - metes and bounds
52. Which of the following is not required on a contract?
- offer and acceptance
 - both parties competent
 - legal object
 - execution and two witnesses
53. To be valid, a deed must be
- signed and acknowledged.
 - signed and witnessed.
 - signed and recorded.
 - all of the above.
54. Title to real property passes to the grantee when the deed is
- recorded.
 - signed and witnessed.
 - delivered and accepted.
 - acknowledged.
55. Henry has a capital gain on the sale of his home of \$197,000. He has owned the property for two years. The sales price was \$425,000. Costs of sale were \$7,000, qualified fix-up costs were \$1,000 and moving costs were \$2,000. How much must Henry pay in capital gains taxes on this sale if his normal tax rate is 25%?
- \$ 39,400
 - \$ 98,500
 - \$197,000
 - \$ 0
56. If an owner arrives before the foreclosure sale and pays the entire debt, court costs and legal fees, and interest on the property, he is exercising his
- right of stay of homestead foreclosure.
 - rights of estoppel.
 - right of redemption.
 - rights of certiori.
57. A subdivision developer gives the county title to streets in a subdivision. The county accepts the streets for maintenance. This transfer of title is known as
- a patent deed.
 - dedication.
 - a public grant.
 - eminent domain.

63. An appraiser noted a 3 year-old air conditioning system which was operable. He assigned \$2,500 depreciation to the system. What type of depreciation is it?
- incurable physical deterioration
 - curable physical deterioration
 - curable functional obsolescence
 - incurable functional obsolescence
64. Which two expenses are deductible for income taxes that are not deducted in calculating net operating income?
- annual debt service and interest
 - annual debt service and depreciation
 - interest and depreciation
 - management and interest
65. If the capitalization rate increases, the value
- increases proportionately.
 - remains stable.
 - increases non-proportionately.
 - decreases.
66. Which is synonymous?
- lender - mortgagor
 - seller - grantee
 - buyer - vendor
 - mortgagee - lender
67. Which is most closely related to the comparable sales approach?
- reproduction cost
 - present value of the income stream
 - principle of substitution
 - level annuity capitalization rate
68. Plottage is
- the plotting of a linear regression analysis curve on investment income.
 - plotting the direction of growth in a comprehensive plan.
 - an increase in value of individual parcels when joined with other parcels.
 - marking off cemetery lots.
69. Concerning the buyer's attitude and willingness to pay, the lender considers
- credit rating.
 - assets.
 - income.
 - all of the above.



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70. Which of the following forms of depreciation is usually found in external obsolescence?
 - a. intrinsic
 - b. inherent
 - c. incurable
 - d. curable

71. What is not available to the Federal Reserve System in controlling the money supply?
 - a. open market operations
 - b. adjusting the discount rate
 - c. changing the reserve requirement
 - d. changing depreciation rules

72. Under the income approach, value equals
 - a. vacant land value plus depreciated building value.
 - b. rate times income.
 - c. rate divided by income.
 - d. income divided by rate.

73. Lien theory means that the mortgage
 - a. creates a lien on the property, with the mortgagee having title.
 - b. instrument conveys title to the mortgagee with mortgagor having a lien.
 - c. is a lien on the property, but property title is vested with the mortgagor.
 - d. is a lien on the property, but property title is vested with the mortgagee.

74. What is the final step after an appraiser has utilized all three approaches to value?
 - a. average each approach
 - b. use primarily the comparable sales approach
 - c. reconciliation
 - d. correlating

75. Which of the following expenses is not deducted from effective gross income in calculating net operating income?
- depreciation
 - utilities
 - advertising
 - management
76. John purchases a home, and the seller helps to finance the sale. The price is \$100,000, and John is to make a \$10,000 cash down payment. The amount of the mortgage payments would pay it off in thirty years, but the owner requires that it come due in seven years. What type mortgage is this?
- fully amortizing
 - term
 - partially amortizing
 - adjustable rate
77. A seller tells a real estate licensee that he does not want his house shown to ethnic buyers. The sales associate should say
- “No problem. We probably won't have any buyers like that, anyway.”
 - “ will try my best to steer these buyers elsewhere.”
 - “I can't handle the sale of your property if you expect me to discriminate.”
 - “I'm going to call HUD and report you immediately.”
78. Jim Singletary wishes to construct an office building containing 24,000 square feet. The zoning in the area requires 1 parking space for every 400 square feet of building area. How many spaces will be necessary?
- 60
 - 160
 - 200
 - 400
79. Which is not correct?
- Redlining is not a violation of state and federal laws.
 - “Blockbusting” is a description of the practice of scaring owners into selling because of 'undesirable elements' moving into the neighborhood.
 - A sales associate has a direct fiduciary relationship with his seller under an exclusive right of sale agreement.
- I only
 - I and II
 - I, II, and III
 - I and III
80. John is a broker in Tallahassee, and meets for lunch with Martha, his most important competitor. They agree that, effective January 1 of the following year, both companies will begin charging 7.5% commissions on all residential properties. Which is correct?
- This is legal if the sellers and buyers agree to pay.
 - This is a violation of FREC rules.
 - This is a violation of Regulation Z.
 - This is a violation of anti-trust laws.

Florida Real Estate Exam 100-Question Practice Exam Answer Key

1 b	21 d	41 c	61 c	81 b
2 c	22 b	42 a	62 b	82 b
3 c	23 a	43 a	63 a	83 c
4 c	24 c	44 b	64 c	84 b
5 a	25 a	45 c	65 d	85 c
6 b	26 a	46 b	66 d	86 b
7 b	27 c	47 a	67 c	87 b
8 c	28 c	48 c	68 c	88 d
9 d	29 c	49 b	69 a	89 a
10 d	30 b	50 d	70 c	90 d
11 b	31 d	51 d	71 d	91 c
12 c	32 a	52 d	72 d	92 b
13 d	33 c	53 b	73 c	93 c
14 c	34 d	54 c	74 c	94 c
15 c	35 d	55 d	75 a	95 c
16 d	36 d	56 c	76 c	96 b
17 a	37 b	57 b	77 c	97 a
18 b	38 c	58 c	78 a	98 c
19 b	39 d	59 c	79 d	99 a
20 d	40 d	60 d	80 d	100 a

Good luck on your real estate exam!

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