

***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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7. Broker Bill has a listing contract to sell Janet's condominium. A prospective buyer offers to pay \$60,000, but refuses to give a binder deposit with the contract. Broker Bill should
 - a. refuse to submit the offer until accompanied by valuable consideration.
 - b. present the offer and suggest that the owner counteroffer for a binder.
 - c. present the offer only if the buyer promises to pay a binder if accepted.
 - d. present the offer only if it is close to the asking price.

8. A buyer gives a sales associate a binder check made out to him. The sales associate should
 - a. hold the check in the file until the broker returns and turn it over to him.
 - b. endorse the check and deposit it in the broker's business account.
 - c. endorse the check and give it to the broker within one business day.
 - d. put the check in his personal account, then write his personal check to the broker.

9. The F.R.E.C. is composed of
 - a. four brokers and three lay members.
 - b. five brokers and two lay members.
 - c. three brokers, two brokers or sales associates, and two lay members.
 - d. seven members.

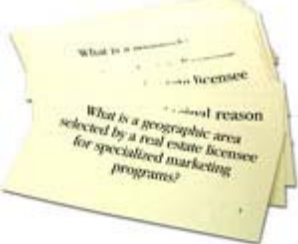
10. Licensure may be suspended for what maximum period of time?
 - a. 1 year
 - b. 2 years
 - c. 5 years
 - d. 10 years

11. Broker Larry, Broker Linda, and Broker Susan form a partnership to buy a tract of land and develop and sell the land. Sales Associate Lee joins the partnership and profits will be split equally among the four. Profits for the first year amount to \$80,000. Which is correct?
 - a. Profits may be divided three ways only. Sales associate Lee cannot be a partner.
 - b. Profits may be divided four ways.
 - c. Sales associate Lee may be a partner only if he has broker status.
 - d. a and c

12. Which is not correct?
 - a. A licensee may be paid a commission only by his employer.
 - b. A licensee may not work for more than one employer.
 - c. A real estate licensee may not appraise a single family residence unless she has been licensed as a state licensed or certified appraiser.
 - d. A licensee has no grace period for renewing a license, and may not operate while the license is expired.

13. The passage of rules require
 - a. the vote of all members of the Commission.
 - b. the full vote of the Commission and the Governor's signature.
 - c. the decision of the Chairman.
 - d. a quorum vote of the Commission.

14. Jane is a broker and accepts a deposit made out to her firm for \$3,000. What is her legal requirement?
- She must place it in her personal account.
 - She must place it in her business account no later than the end of the next business day.
 - She must place it in her trust account within three business days.
 - She must hold it until acceptance of the offer, then deposit it immediately.



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15. Broker Jacqui decides to move her branch office from Fort Walton to Panama City. The proper procedure is for Jacqui to
- report the move to the Board of Realtors.
 - request that the Division transfer the license to the new location.
 - cancel the existing branch license and submit the request and a new fee for the Panama City branch office.
 - wait until it is time to renew the branch office license.
16. A real estate sales associate is a person who
- at times may perform any of the services ordinarily performed by a broker.
 - may perform some of the services ordinarily performed by a broker.
 - may not perform any service of real estate for the public for compensation in Florida, unless employed by an owner-employer.
 - may perform any of the services ordinarily performed by a broker provided that the service is under the supervision of the employing broker.
17. A sales associate chooses not to renew his license at the appropriate time. His license will be
- involuntarily inactive.
 - canceled.
 - voluntarily inactive.
 - suspended.
18. The license period is currently
- 1 year.
 - 2 years.
 - 3 years.
 - 4 years.

19. Which category is exempt from licensing when performing real estate services?
 - a. funeral directors
 - b. CPAs acting within the scope of their duties
 - c. partners receiving more than their pro-rata share of profits for selling services.
 - d. employees of a corporation who are paid on a transactional basis for selling corporate property.

20. If an outdated and incorrect rental list is sold by a licensee, the licensee
 - a. is guilty of a misdemeanor of the first degree.
 - b. may be suspended or revoked.
 - c. must refund the full amount paid for the list if requested within 30 days.
 - d. all of the above

21. During the week, Janet works for Wonder Works Realty, Inc. as a sales associate. On weekends, she holds open houses for Schultz Homes, and is paid a 2% commission directly by Sam Schultz on any sales she helps procure. Which is correct?
 - a. This is a violation of FTC rule 21V-1.46 stating a sales associate may have only one real estate employer.
 - b. She can work for both companies provided full disclosure is made and both parties agree in writing.
 - c. She may do this provided the companies obtain a group license.
 - d. This is an illegal arrangement.

22. A sales associate properly licensed with a broker may
 - a. open his own branch office with permission from his broker.
 - b. manage a branch office.
 - c. not manage a branch office.
 - d. open his own office.

23. Who can receive compensation directly from an owner?
 - a. a broker
 - b. a sales associate, if licensed with a broker
 - c. a broker associate, if licensed with a broker
 - d. all of the above

24. Which is correct about a group license?
 - a. It is issued to sales associates who work for several employers.
 - b. A broker may have as many as she has offices.
 - c. It is issued to sales associates who work for several entities with a comm ownership.
 - d. It is issued to brokers for each branch office.

25. Which of the following is a legal brokerage office?
 - I. permanent building with at least one office
 - II. sign at or about entrance with "Licensed Real Estate Broker" or REALTOR
 - III. names (but not license status) of all licensees of the firm.
 - a. I only
 - b. I and II
 - c. I, II and III
 - d. I and III

26. Required brokerage relationship disclosures must be retained by the broker for:
- five years.
 - three years.
 - two years.
 - one year.



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27. Which of the following best describes the relationship of a broker and his principal?
- caveat emptor
 - limited duties
 - fiduciary duties
 - confidentiality until the listing expires
28. A sales associate's license has expired. The sales associate is called by a buyer who wants to see property. The sales associate shows the property, but does not write a contract until he has renewed his license. The sales associate
- is able to do this since the contract was not written during the time of inactivity.
 - is entitled to receive a commission.
 - has violated Chapter 475.
 - is able to discuss real estate with prospective buyers, but may not show or sell it.
29. A licensee fails to renew his license at renewal time, and desires to become active again 16 months later. What must he do?
- Reinstate by filing a renewal request with a late fee.
 - Reinstate by taking 14 hours of continuing education and paying a late fee.
 - Reactivate by taking two 14-hour continuing education courses with different final exams
 - Take the sales associate's course and the state exam all over again.
30. John Harrison, a sales associate, leaves the employ of Gilbert Miller, a licensed real estate broker. John wrote a sales contract prior to his termination, and the transaction closed after he left Miller. The amount of the gross commission was \$3,700, and John was on a 50/50 commission split. There is no office policy which covers this situation. John demands his portion of the commission. What should Mr. Miller do?
- Refer the matter to arbitration at the Board of Realtors.
 - Pay \$1,850 to John.
 - Explain that the law allows him to pay only sales associates licensed with the firm at the time of closing.
 - Deduct 25% of John's portion as administrative expense and pay John the balance.

31. A Kentucky lawyer and a Florida broker joint venture to sell property in Florida for a friend of the Kentucky lawyer. What can the Kentucky lawyer receive?
- a commission provided he doesn't come to Florida
 - a referral fee if he doesn't come to Florida
 - a commission if he actually performs services in the transaction
 - no part of the real estate commission
32. A broker asks for advance fees and obtains \$1,000 which he places into his operating account. The broker buys a sign for \$350, places advertising for \$150, and submits office rent bills which he accounts for as being used to directly market this piece of property. The broker
- is in violation of FS 475.
 - is in violation of FS 509.
 - has done nothing wrong.
 - has violated the code of ethics.
33. Hinson forms a limited partnership to develop and sell real property. Hinson will be the general partner will do all the work. Bailey buys units as a limited partner and invests \$100,000. Hinson defrauds several purchasers who bring suit against the partnership and get judgments for amounts in excess of \$300,000. The partnership funds are wiped out. Which is correct?
- Hinson is liable for the same amount as Bailey.
 - Hinson is not liable because of the limited partnership status.
 - Hinson is liable for the unpaid judgments, Bailey is not.
 - Bailey is jointly and severally liable as a partner.
34. A Fort Walton Beach real estate broker is the property manager for several condos on the beach which rent for \$1,000 per month. He also manages several (which are rented) that rent for \$850 per month. The broker advertises beach front condos (which are unavailable) at a price of \$850, and has a good response rate. He is usually able to explain the better quality of the \$1,000 per month rentals and rents them quite fast. The broker
- has no problem. He actually manage units which rent for \$850 per month.
 - has acted with bad faith, but is not guilty of a violation of Florida law.
 - has no problem if he can show all customers were satisfied.
 - is guilty of fraudulent and misleading advertising.



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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.


41. Which of the following situations requires disclosure of brokerage relationship to a customer?
- I. sale of improved property with four units or fewer
 - II. leasing of property with four units or fewer unless the owner occupies one of the units
 - III. sale of agricultural property with 10 acres or less
- a. I only
 - b. I, II and III
 - c. I and III
 - d. I and II

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42. Which brokerage relationship status requires that a broker disclose known facts that materially affect the value of residential property?
- a. any status requires the disclosure.
 - b. single agents
 - c. transaction brokers
 - d. licensees with no official brokerage relationship
43. A licensed sales associate of a brokerage corporation may
- a. own stock in that corporation.
 - b. be an officer of that corporation.
 - c. be a director of that corporation.
 - d. none of the above.
44. Dexter Bonham is purchasing property through Lawrence Hafner, licensed real estate broker. Hafner sold the same piece of property last year. Because Bonham is experiencing financial difficulties, Hafner tells him that the title was insured last year, and that he will go to the courthouse to determine if there have been any liens filed since then. This would save the buyer nearly \$500. Which is correct?
- a. Bonham should write a letter of commendation to the local Board.
 - b. Hafner may not do this.
 - c. If no liens have, in fact, been filed, Hafner cannot be prosecuted.
 - d. Hafner may do this if he writes out a formal opinion of title and agrees to stand responsible in case of later problems.
45. A single agent broker who wishes to remain loyal to the principal yet be involved in both sides of a transaction
- a. may be a transaction broker for the other party.
 - b. may transition to dual agent with the written approval of both parties.
 - c. must work with the other party in a "no official brokerage relationship" role.
 - d. are unable to do so if working with the other party in a transaction.

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.

58. Which of the following acts as an insurance agency?
- FNMA
 - FHLMC
 - FHA
 - VA



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59. Which happens to the monthly payments on a fixed payment mortgage?
- Principal and interest portions of each payment remain the same.
 - Interest portion of each payment increases.
 - Interest portion of each payment decreases.
 - Principal is reduced and interest rates change annually.
60. The most common method used by the Federal Reserve Board to control the supply of money is by
- Urban Development Block Grants (UDAG).
 - affirmative action.
 - Tandem Plan.
 - Open Market Operations.
61. An example of functional obsolescence is which of the following?
- increased traffic flow on the street in front of the house
 - community recycling plant next door
 - four bedroom, one bath house
 - leaking pipes
62. Investor Charles Greenacre is purchasing a building from the Acme Tool Company with a 20-year net-net-net leaseback offering outstanding cash throwoff and good tax treatment. The building was built to the seller's needs under strict specifications to the seller's business. Greenacre should be most concerned with
- the physical condition of the building.
 - the financial condition of the seller.
 - the chance of property appreciation.
 - the chance of increased maintenance costs.

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.



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81. A prospect enters Broker A's office and requests to be shown houses in neighborhoods with certain racial characteristics. The broker advises the prospect that he will show him houses without regard to the racial characteristics of the neighborhood. The prospect is shown houses in certain minority neighborhoods and certain non-minority neighborhoods. The prospect becomes interested in two of the houses, both of which are in minority neighborhoods. If the broker had followed the prospect's initial instructions, which of the following would be correct?
- a. He would have violated federal laws but not the Florida real estate license law.
 - b. He violated Federal and State law and could have been suspended or revoked.
 - c. He would not have violated any laws; he must follow his principal's instructions.
 - d. He would not have violated any laws; he must follow his prospect's instructions.
82. Which is deducted from gross income to arrive at net operating income?
- a. taxes
 - b. insurance
 - c. vacancy
 - d. debt service
83. A reasonably good balance between supply and demand of apartments is
- a. 5% occupancy.
 - b. 90% vacancy.
 - c. 95% occupancy.
 - d. 87% occupancy.
84. The Fair Housing Act of 1968 (with amendments) prohibits discrimination
- a. on the basis of age.
 - b. on the basis of a couple having children.
 - c. on the basis of behavioral characteristics.
 - d. all of the above
85. A good faith estimate of settlement costs is required to be given to purchasers of a

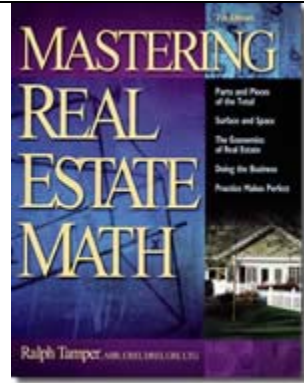
- residence when financing is secured at a federally insured savings and loan. This requirement is found in
- a. the "Little FTC" consumer protection act.
 - b. Regulation Z.
 - c. RESPA.
 - d. FHLBB consumer protection statutes.
86. Which is correct about Regulation Z?
- a. It is published by the Federal National Mortgage Association.
 - b. It requires the disclosure of pertinent information such as down payment and annual percentage rate if a "triggering" item such as interest rate is advertised.
 - c. It requires disclosure of estimate of settlement costs by the lender.
 - d. all of the above
87. Marilyn is applying for a loan to finance her new home in an area where there are minorities. The loan officer tells her that she should try to find another location, since the loan committee would prefer not to lend in that area. The lender may be involved in the illegal practice called
- a. blockbusting.
 - b. redlining.
 - c. steering.
 - d. failure to disclose under RESPA.
88. Which may be deducted for income tax purposes by a homeowner?
- a. property taxes, insurance and interest
 - b. insurance, depreciation and taxes
 - c. depreciation, taxes and interest
 - d. taxes and interest
89. Usually, local planning commissions are composed of
- a. lay members representing a cross section of the community.
 - b. professionals from each of the local planning authorities.
 - c. three county commissioners and two school board members.
 - d. local developers and representatives of utilities and banks.

Math Section

90. Fred has a long-term capital loss on the sale of his personal residence. He may deduct
- a. a maximum of 28% of the loss.
 - b. a maximum of \$3,000 each year until the loss has been deducted.
 - c. the entire loss.
 - d. none of the loss.
91. A comparable property sold a year ago for \$70,000 but would have sold for about eight

percent more today. The appraiser should:

- a. adjust the subject price upward by \$5,600.
- b. adjust the subject price downward by \$5,600.
- c. adjust the comparable price upward by \$5,600.
- d. adjust the comparable price downward by \$5,600



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92. A small apartment property is estimated to have potential gross income of \$ 25,000. Vacancy and collection losses are expected to average 5 percent over the life of the property. Operating expenses are expected to average about 30 percent of effective gross income. An overall capitalization rate of 12 percent is derived from market transactions of similar properties. What is the market value?
 - a. \$208,333
 - b. \$138,542
 - c. \$197,917
 - d. \$145,833

93. A 3-year insurance policy costing \$1,164 is taken out November 1, 1995. The property was sold on May 15, 1996, and the day of closing belongs to the buyer. If the buyer assumes the policy, what should the buyer pay the seller at closing, using the 30-day month method?
 - a. \$179.97
 - b. \$955.99
 - c. \$954.91
 - d. \$977.97

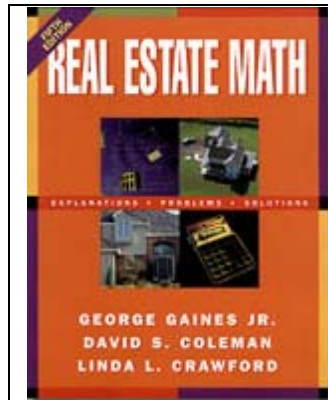
94. An appraiser has been engaged to appraise a 4 bedroom home with a swimming pool.

Based on the appraiser's experience, a pool normally adds \$14,000 value to a property, and a bedroom is worth \$9,000. She locates the following comparable sales:

- 5 bedroom home, no pool, sold for \$125,000
- 4 bedroom home, no pool, sold for \$116,000
- 3 bedroom home with pool, sold for \$121,000

What is the value of the subject property?

- a. \$120,000
- b. \$125,000
- c. \$130,000
- d. \$135,000



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95. A buyer purchases a 4-unit commercial building for \$150,000 cash. Operating expenses of the building total \$30,000 annually. What must the buyer get in monthly rent from each unit in order to achieve a 20% return?
- a. \$5,000
 - b. \$2,500
 - c. \$1,250
 - d. \$ 125
96. A building rents for \$5 per square foot, and there is an index of 1.5. The following year the index climbs to 1.8. The rent is tied to the index. What will the rent be per square foot?
- a. \$5.68
 - b. \$6.00
 - c. \$8.00
 - d. \$5.45
97. A comparable property showed adjusted value of \$40,000. The property sold two years ago, and the adjustments indicated a 7% annual appreciation rate. Assuming the appreciation was the only adjustment, how much was the total adjustment?
- a. plus \$5,063
 - b. plus \$5,404
 - c. minus \$5,063
 - d. plus \$5,600
98. A home is 10 years old. It has a 50 year life, and a 100,000 reproduction cost. The

- appraiser assigns physical deterioration of \$26,000. Which is probably correct?
- a. The home has been better maintained than others in the area
 - b. The home probably has a swimming pool, or is next to a convenience store.
 - c. The home has been poorly maintained.
 - d. The appraiser is wrong.
99. John takes out a 14% 30-year mortgage in the amount of \$65,000. The loan constant is .011849. What is the balance of the loan after the second payment?
- a. \$64,976.14
 - b. \$64,988.14
 - c. \$64,964.00
 - d. \$1,516.52
100. A seller receives \$18,000 proceeds from the sale of her home. The mortgage balance was \$32,000, she paid a commission of 7%, and her closing costs were 3%. What was the sales price?
- a. \$55,555
 - b. \$50,000
 - c. \$55,000
 - d. \$56,000

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

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