

**California Real Estate Principles, 12<sup>th</sup> ed., by Walt Huber**  
**Final A – Chapter 1-15**  
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1. Which of the following is NOT a test to determine whether an item is a fixture?
  - a. Adaptability
  - b. Date of purchase
  - c. Intention
  - d. Agreement
2. When an improvement is permanently attached to real property it becomes:
  - a. private property.
  - b. personal property.
  - c. real property.
  - d. none of the above.
3. Which of the following is NOT a section and township starting point in California?
  - a. Humboldt
  - b. Mt. Diablo
  - c. Blythe
  - d. San Bernardino
4. How many square feet are in an acre?
  - a. 345
  - b. 100,000
  - c. 43,560
  - d. 435
5. Which of the following is NOT a recognized legal method of land description?
  - a. Metes and Bounds
  - b. Satellite Tracking
  - c. Lots, Blocks, and Tracts
  - d. Sections and Townships
6. 1/4 of a section is 1/2 mile by 1/2 mile and has how many acres?
  - a. 320
  - b. 160
  - c. 240
  - d. 120

7. Real property consists of:
- land and structures on the land.
  - anything incidental to the land.
  - anything appurtenant to the land.
  - all of the above.
8. Which of the following is FALSE concerning a grant deed?
- The key word is "grant."
  - It is signed only by the grantee.
  - It is considered executed when signed by the grantor.
  - Grant deeds contain implied warranties.
9. A person who is authorized by the Secretary of State to witness the acknowledgment of documents is known as a(n):
- administrator.
  - librarian.
  - document doctor.
  - notary public.
10. Grantor A conveys some property to his wife to be used during her lifetime. Upon her death, the property is to go to their daughter. In this example, their daughter would be receiving:
- an estate in remainder.
  - an estate in waiting.
  - a less-than-freehold estate.
  - a special limitation.
11. What is the legal process of making an instrument an official part of the county records?
- Acknowledgment
  - Recording
  - Constructive notice
  - All of the above
12. Bob, Carla, and David own a property together as joint tenants. David decides to give his interest to his son as a wedding present. What type of interest in the property does the son obtain?
- Joint tenancy
  - Tenancy in common
  - Limited partnership
  - None of the above

13. What is NOT one of the four unities involved in the establishment of a joint tenancy?
- a. Conveyance
  - b. Title
  - c. Time
  - d. Interest
14. The greatest and most complete form of ownership known to the law is:
- a. estate at will.
  - b. estate in fee.
  - c. estate for years.
  - d. none of the above.
15. You are a landlord who discovers that one of your tenants is having new carpet installed in his apartment without your consent. To protect yourself, you should file a(n):
- a. cease and desist order.
  - b. mechanic's lien.
  - c. unlawful detainer action.
  - d. notice of non-responsibility.
16. Which of the following is an example of a voluntary lien?
- a. Trust deed
  - b. Mechanic's lien
  - c. Tax assessment
  - d. All of the above
17. Easements appurtenant are for the benefit of:
- a. adjoining landowners.
  - b. homesteaded landowners.
  - c. the general public.
  - d. government use only.
18. Easements are created by:
- a. express grant (in writing).
  - b. implication of law.
  - c. long-term use (prescription).
  - d. all of the above.
19. A mechanic's lien is filed against the:
- a. property.
  - b. owner.
  - c. lender.
  - d. general contractor.

20. Zoning is under the control of:
- a. private parties.
  - b. government agencies.
  - c. the Department of Real Estate.
  - d. none of the above.
21. A lien placed on more than one parcel, all parcels having the same owner, is known as a:
- a. full lien.
  - b. blanket encumbrance.
  - c. multi-tract lien.
  - d. none of the above.
22. In order to record a deed or trust deed, a notary requires:
- a. the recorder's birth certificate.
  - b. the property's latest tax assessment.
  - c. the broker's license number.
  - d. the recorder's right thumbprint.
23. The Agency Disclosure Form tells the seller and the buyer that their agent is working as:
- a. the seller's agent.
  - b. the buyer's agent.
  - c. both seller's and buyer's agent.
  - d. any of the above.
24. A person who sells final results rather than time is known as a(n):
- a. employee.
  - b. independent contractor.
  - c. subagent.
  - d. all of the above.
25. Other than the small initial deposit to open the account, when are money deposits the personal property of the broker?
- a. Never
  - b. Only with the permission of the buyer
  - c. Only during non-business days
  - d. Always
26. Which of the following would best describe an open listing?
- a. Bilateral contract
  - b. Illegal in California
  - c. Nonexclusive
  - d. Exclusive

27. All material facts affecting the value and desirability of a property must be disclosed on the:
- a. residential listing agreement.
  - b. disclosure of agency relationship.
  - c. transfer disclosure statement.
  - d. none of the above.
28. What type of listing binds a seller to a commission no matter who sells the property?
- a. Net listing
  - b. Exclusive right to sell listing
  - c. Open listing
  - d. All of the above
29. Which of the following is NOT a method to establish a real estate broker agency?
- a. Express agreement
  - b. Implied agreement
  - c. Secret ballot
  - d. Estoppel
30. A contract that is binding and enforceable in a court of law is said to be:
- a. executory.
  - b. illusory.
  - c. valid.
  - d. all of the above.
31. The replacement of an old contract with a new one is called:
- a. assignment.
  - b. novation.
  - c. mutual consent.
  - d. counter offer.
32. Which of the following is NOT an essential element of a contract?
- a. Cash
  - b. Mutual consent
  - c. Capacity
  - d. Proper writing
33. Prior to receiving communication of its acceptance, a buyer can withdraw an offer:
- a. in writing.
  - b. personally.
  - c. by registered mail.
  - d. all of the above.

34. An incompetent person:

- a. is of unsound mind.
- b. cannot individually contract.
- c. must have court approval to contract.
- d. all of the above.

35. You enter a hardware store where you have an account, pick up a pair of \$5.00 pliers and wave them at the manager as you leave the store. This would be an example of a(n):

- a. express contract.
- b. mutual consent.
- c. implied contract.
- d. all of the above.

36. An emancipated minor:

- a. has legal capacity.
- b. is always emancipated.
- c. can acquire property.
- d. all of the above.

37. In a legal dispute, when there is a conflict between the preprinted clauses and the handwritten information in a real estate contract, which information takes precedence?

- a. Preprinted clauses
- b. Handwritten information
- c. Local customs
- d. None of the above

38. Which of the following is a remedy for a breach?

- a. Acceptance of the breach
- b. Action for dollar damages
- c. Action for specific performance
- d. Any of the above

39. A document given to a tenant stating that he or she must pay past due rent or vacate is known as a(n):

- a. Three-Day Notice to Pay.
- b. Unlawful Detainer.
- c. Writ of Possession.
- d. Curb Summons.

40. Tenant A has a month-to-month tenancy with landlord B. What is the minimum number of days' notice that A must give if she wishes to vacate?
- a. 14
  - b. 15
  - c. 30
  - d. 20
41. Which of the following is a requirement of a lease?
- a. Length of lease
  - b. Amount of rent
  - c. Names of parties
  - d. All of the above
42. When a tenant voluntarily gives up a lease before the expiration of its term, it's known as:
- a. forgiveness.
  - b. forbearance.
  - c. suspension.
  - d. surrender.
43. A month-to-month rental agreement is usually a:
- a. tenancy for years.
  - b. periodic tenancy.
  - c. tenancy at will.
  - d. tenancy at sufferance.
44. A lease for more than one year must be:
- a. in writing.
  - b. notarized.
  - c. filed with the county.
  - d. all of the above.
45. A lease purchase option is the:
- a. right to renew a lease.
  - b. right to purchase the property.
  - c. right to terminate a lease.
  - d. none of the above.
46. Which of the following is NOT a duty of the escrow company?
- a. Conditional delivery
  - b. Confidentiality
  - c. Holding deposits
  - d. Selling title insurance

47. The CLTA policy protects against:
- a. lack of capacity.
  - b. deeds not properly delivered.
  - c. forgery.
  - d. all of the above.
48. Escrows base monthly prorations on how many days?
- a. 28
  - b. 29
  - c. 30
  - d. 31
49. The current status of items from the county records affecting the property's title is called the:
- a. coinsurance clause.
  - b. title insurance.
  - c. preliminary title report.
  - d. none of the above.
50. Which type of title insurance is usually requested by lenders?
- a. CLTA policy
  - b. ALTA policy
  - c. RESPA policy
  - d. None of the above
51. If Miss Dooling borrowed \$8,000 from the Los Angeles Downtown Bank on a straight note that totaled \$1,800 in interest at a rate of 15%, what was the term of the loan?
- a. 12 months
  - b. 15 months
  - c. 18 months
  - d. 80 months
52. In a trust deed, the trustor is the:
- a. third party.
  - b. lender.
  - c. borrower.
  - d. escrow company.
53. Mortgages, although rarely used in California, require a mortgagor and a mortgagee. The mortgagee is a:
- a. third party.
  - b. lender.
  - c. borrower.
  - d. none of the above.



54. Which of the following is TRUE concerning a trust deed?
- a. It needs a note for security
  - b. It is a negotiable instrument
  - c. It prevails in a conflict with a note
  - d. None of the above
55. The nominal interest rate is:
- a. the effective interest rate.
  - b. compounded daily.
  - c. a guarantee of negative amortization.
  - d. stated on the note.
56. If a buyer defaults on a conditional sales purchase contract (land contract), who could file a quiet title action to remove the cloud on the title?
- a. Broker
  - b. Vendee
  - c. Buyer
  - d. Seller
57. Which of the following are considered non-institutional lenders?
- a. Private lenders
  - b. Mortgage companies
  - c. Credit unions
  - d. All of the above
58. If you want an FHA loan, you should go to:
- a. VA.
  - b. FHA.
  - c. CalVet.
  - d. an approved lender.
59. Life insurance companies:
- a. prefer large loans.
  - b. are least likely to make small loans.
  - c. seldom make construction loans.
  - d. all of the above.
60. The California Department of Veteran's Affairs loan program is commonly known as the:
- a. VA.
  - b. FHA.
  - c. California VFW Program.
  - d. CalVet Program.

61. A "good faith" estimate of settlement charges (RESPA) for the purchase of a home includes:
- a. rate of interest.
  - b. points on the loan.
  - c. additional loan fees.
  - d. all of the above.
62. Second trust deed (junior) loans are usually obtained from:
- a. mutual savings banks.
  - b. banks.
  - c. insurance companies.
  - d. private parties.
63. When prices rise due to shortages of available properties, it is known as a:
- a. buyer's market.
  - b. seller's market.
  - c. lender's market.
  - d. deflationary market.
64. Which of the following is NOT one of the forces that affect the value of a neighborhood?
- a. Past sales considerations
  - b. Economic considerations
  - c. Physical considerations
  - d. Social considerations
65. The bottom portion lining a doorway or window is the:
- a. joist.
  - b. sill.
  - c. ridge board.
  - d. flashing.
66. Which of the following statements constitutes an example of progression?
- a. A home of greater value is worth more when located among homes of lesser value.
  - b. A home of greater value is worth less when located among homes of lesser value.
  - c. A home of lesser value is worth more when located among homes of greater value.
  - d. A home of lesser value is worth less when located among homes of greater value.
67. Which of the following is NOT a type of property lot?
- a. Curb lot
  - b. Interior lot
  - c. Key lot
  - d. Corner lot

68. An information booth is called a(n):

- a. kiosk.
- b. turnkey.
- c. unearned increment.
- d. conduit.

69. The term EER is used to measure:

- a. water purity.
- b. credit rating.
- c. water pressure.
- d. energy efficiency (the higher the better).

70. If the prospective investor of real property is most concerned with making money off the usefulness of the improvements, he or she would be most concerned with:

- a. economic life remaining in the improvements.
- b. physical life remaining in the improvements.
- c. chronological age of the improvements.
- d. none of the above.

71. An appraiser using the market approach collects many recent comparable sales. If a comparable property has a feature that is NOT present in the subject property, the estimated value of the feature is:

- a. added to the sales price of the comparable.
- b. just noted on the appraisal but nothing is done.
- c. subtracted from the sales price of the comparable.
- d. none of the above.

72. The flight pattern of a metropolitan airport was altered so that planes began passing over a single-family residential neighborhood. Any loss in the value of these properties should be attributed to:

- a. economic obsolescence.
- b. functional depreciation.
- c. physical deterioration.
- d. all of the above.

73. The most comprehensive and complete appraisal report is the:

- a. short form.
- b. narrative report.
- c. commissioner's report.
- d. none of the above.

74. The market data method is the most common approach for:
- a. houses.
  - b. condos.
  - c. vacant land.
  - d. all of the above.
75. Depreciation can be:
- a. curable.
  - b. incurable.
  - c. loss in value from any cause.
  - d. all of the above.
76. Which of the following is TRUE concerning the Cap Rate?
- a. The greater the risk, the greater the Cap Rate.
  - b. Appraised value increases when the Cap decreases.
  - c. Finding the Cap Rate is the most difficult step in the income approach.
  - d. All of the above.
77. The original housing law in California that deals with discrimination in business is called the:
- a. Unruh Civil Rights Act.
  - b. Rumford Act.
  - c. Federal Civil Rights Act.
  - d. none of the above.
78. What federal case in 1968 upheld the 1868 Civil Rights Act?
- a. Easton v. Strassburger
  - b. Huber v. the State of California
  - c. Jones v. Mayer
  - d. None of the above
79. The seller must provide the buyer of a condominium with:
- a. the CC&Rs.
  - b. the bylaws.
  - c. a copy of the most recent financial statement.
  - d. all of the above.
80. A zoning act that requires disclosure of a property's vicinity to hazardous earthquake faults is known as the:
- a. Alquist-Priolo Special Studies Zones Act.
  - b. California Coastal Act.
  - c. San Andreas State Earthquake Act.
  - d. none of the above.

81. Changing the zoning from R3 to R1 (with less use density) is an example of:
- a. condemnation.
  - b. police power.
  - c. involuntary conversion.
  - d. downzoning.
82. The California Fair Employment and Housing Act (FEHA) investigates and takes action against which of the following who engage in discriminatory practices?
- a. Property owners
  - b. Financial institutions
  - c. Real estate licensees
  - d. All of the above
83. The federal Fair Housing poster became mandatory under the:
- a. Unruh Civil Rights Act.
  - b. Federal Civil Rights Act of 1968.
  - c. Fair Employment and Housing Act.
  - d. Garn Act.
84. What must a potential listing agent do if a seller requires the agent to discriminate?
- a. Discriminate
  - b. Charge a higher commission
  - c. Refuse the listing
  - d. Make a citizen's arrest
85. Depreciation for tax purposes is a yearly tax deduction on the taxpayer's income tax form. Which of the following is NOT acceptable for depreciation?
- a. Your office building
  - b. Your apartment building
  - c. Your shopping center
  - d. Your owner-occupied residence
86. Installment sales and exchanges have as their primary purpose:
- a. tax deduction.
  - b. tax evasion.
  - c. tax postponement.
  - d. none of the above.
87. The county assessor determines a property's:
- a. tax rate.
  - b. documentary transfer tax.
  - c. estate taxes.
  - d. assessed valuation.

88. For how much assessed value is the Homeowner's Property Tax Exemption?
- a. \$1,000
  - b. \$7,000
  - c. \$2,000
  - d. \$200
89. As of 2006, a Federal Estate tax return must be filed for any U.S. resident whose gross estate exceeds:
- a. \$2,000,000.
  - b. \$200,000.
  - c. \$20,000.
  - d. all of the above.
90. Income-producing property owners can deduct which of the following from their federal income taxes?
- a. Property taxes
  - b. Prepayment penalties
  - c. Depreciation of building improvements
  - d. All of the above
91. The salesperson exam requires what percent of correct answers to pass?
- a. 60%
  - b. 80%
  - c. 70%
  - d. 90%
92. Which of the following is NOT a required document in a personal property security transaction?
- a. Federal Tax Return
  - b. Promissory note
  - c. Security Agreement
  - d. Compliance with UCC-1 Financing Statement
93. A broker who mixes personal funds with his or her principal's funds is guilty of:
- a. false promise.
  - b. commingling.
  - c. divided agency.
  - d. conversion.

94. A real estate license for both a salesperson and a broker must be renewed every:
- two years.
  - three years.
  - four years.
  - five years.
95. An advertisement by a broker that gives the impression that he or she is the owner of the property is a violation of Real Estate Law called a:
- blind advertisement.
  - shadow listing.
  - secret profit.
  - none of the above.
96. The Regulations of the Real Estate Commissioner:
- have the force and effect of the law itself.
  - are unenforceable.
  - are enforced by the IRS.
  - none of the above.
97. A "Realtist" is the name for a member of:
- AAA.
  - CAR.
  - NAR.
  - NAREB.
98. The formula for finding the area of a triangle is:
- $T = (B \times H) \div 2$ .
  - $T = B \div H$ .
  - $A = (B \times H) \div 2$ .
  - $A = (B \div H) \times 2$ .
99. How many square feet are there in a triangle that has a 200-foot base and a 120-foot height?
- 24,000
  - 16,666
  - 12,000
  - 33,333
100. To convert a decimal number to a percent, you add on a percent sign and move the decimal point:
- two spaces to the left.
  - two spaces to the right.
  - one space to the left.
  - one space to the right.

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**Final A Reference page for Answers**  
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|--------------|-------------|-----------------|-----------------|
| 1. (p.9)     | 26. (p.81)  | 51. (p.223-225) | 76. (p.347-348) |
| 2. (p.7)     | 27. (p.90)  | 52. (p.232)     | 77. (p.388)     |
| 3. (p.11)    | 28. (p.82)  | 53. (p.229)     | 78. (p.389)     |
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| 7. (p.6)     | 32. (p.116) | 57. (p.277)     | 82. (p.388)     |
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| 20. (p.61)   | 45. (p.172) | 70. (p.342)     | 95. (p.448)     |
| 21. (p.49)   | 46. (p.187) | 71. (p.335)     | 96. (p.448)     |
| 22. (p.42)   | 47. (p.198) | 72. (p.344)     | 97. (p.455)     |
| 23. (p.77)   | 48. (p.194) | 73. (p.351)     | 98. (p.476)     |
| 24. (p.96)   | 49. (p.198) | 74. (p.336)     | 99. (p.476)     |
| 25. (p.95)   | 50. (p.231) | 75. (p.342-343) | 100. (p.482)    |





FINAL EXAM ANSWER SHEET

Student name (Print) legibly \_\_\_\_\_

Exam Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Final Exam Grade \_\_\_\_\_

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