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FOUNDATIONS OF NEW JERSEY REAL ESTATE

TEST: Real Property/Personal Property Contracts

1. Which of the following is an example of incorporeal property?
 - A. Buildings
 - B. Leases
 - C. Trees
 - D. Furniture
2. A personal property clause would be used in a sales contract to insure the inclusion in the sale of which of the following?
 - A. A furnace
 - B. A permanently installed microwave oven
 - C. Wall to wall carpeting
 - D. A portable dishwasher
3. A buyer may do which of the following if the seller breaches a contract for the sale of real estate?
 - A. Terminate the contract
 - B. File a suit for specific performance
 - C. Sue for money damages
 - D. Any of the above
4. What is a "contingency" in a contract?
 - A. It is the same as a counter-offer
 - B. A back-up offer
 - C. It is a clause in a contract designed to protect the brokers commission
 - D. A condition or action that must be met in order for the contract to become binding
5. Lindsay, a tenant in the Main Street Professional Building, is transferring her rights under her lease to Denise. Lindsay would be referred to as the:
 - A. grantor
 - B. executor
 - C. assignor
 - D. landlord
6. The purchaser in a real estate sales contract breaches the contract and does not go through with the purchase. The contract stipulates that the seller may keep the earnest money. This is known as:
 - A. punitive damages
 - B. liquidated damages
 - C. money damages
 - D. None of the above
7. Which of the following is **NOT** a necessary part of any Exclusive listing agreement?
 - A. a termination date
 - B. disclosure of commission split offered to cooperating brokers
 - C. a declaration of business relationship
 - D. a net amount to the owner
8. An oral contract to lease real estate for a period of 2 years is:
 - A. void
 - B. executory
 - C. enforceable
 - D. unenforceable

9. In New Jersey, which of the following is **TRUE** regarding all types of listing agreements?
- The broker who is the procuring cause of the sale is entitled to a commission
 - Listings must be recorded in the public records to be valid
 - Net listings are valid as long as the seller signs a disclosure containing all relevant facts
 - Termination dates are required by licensing law
10. According to the Statute of Frauds, all of the following must be in writing to be enforceable with the exception of:
- a real estate sale contract
 - a listing agreement
 - a one year lease
 - a power of attorney (POA)
11. A voidable contract is a contract that:
- may be terminated by either one of the parties, or both parties
 - lacks the elements of a valid contract
 - cannot be voided
 - is declared illegal
12. When all the parties to a contract have fulfilled their obligations, the contract is said to be:
- delivered
 - implemented
 - terminated
 - executed
13. Which of the following is prohibited in a listing agreement?
- The name of a multiple listing service
 - Personal property to be included
 - A pre-printed rate of commission
 - A clause providing that the owner agrees to refer all interested parties to the listing broker
14. Which of the following types of listings would give the most protection to the broker?
- Exclusive Right to Sell
 - Exclusive Agency
 - Open
 - Net
15. Something of value, such as money or services, given by a party to a contract is known as:
- incorporeal property
 - compensation
 - valuable consideration
 - chattel
16. When a seller agrees not to list the property with any other broker, but reserves the right to sell the property themselves, they have entered into what type of listing agreement?
- Exclusive agency
 - Unilateral
 - Exclusive right to sell
 - Multiple
17. When a person gives power of attorney to another, the one entrusted with this power is known as which of the following?
- Trustee
 - Attorney in fact
 - Empowered attorney
 - Administrator
18. A right or improvement which is not necessarily a part of the property, yet passes with title to the property, is known as which of the following?
- Appurtenance
 - Encroachment
 - Encumbrance
 - Improvement
19. For \$2,000 you purchase an option to buy a vacant piece of land for \$75,000. anytime over the next 12 months. If in the fourth month you exercise this right by providing proper notice to the owner, you create a(n):
- unilateral contract
 - unenforceable contract
 - implied contract
 - bilateral contract
20. Sandy makes an oral offer to purchase Jim's property for \$165,000 and Jim orally accepts. This agreement is probably:
- implied
 - void
 - unilateral
 - unenforceable

21. Matthew enters into a sales contract to purchase Heather's property for \$200,000. Prior to the closing date Matthew transfers his rights to Shane. Which of the following is **TRUE**?
- Matthew will be required to purchase the property if Shane can not.
 - Matthew's action is called an assignment.
 - Shane is referred to as the assignee.
 - All of the above
22. Which of the following would be an example of a unilateral contract?
- A lease
 - An exclusive right to sell listing agreement
 - A mortgage
 - An option to purchase
23. When a purchaser wishes to make an offer on a property, s/he will usually make a down payment or deposit as evidence of his/her good faith. This deposit may be referred to as:
- collateral
 - binder money
 - liquidated damage money
 - earnest money
24. A counter-offer may:
- only come from a seller
 - be withdrawn any time before it is accepted by the other party
- I only
 - II only
 - Both I and II
 - Neither I nor II
25. Contracts with minors are:
- void
 - voidable by either party
 - voidable by the minor only
 - illegal
26. The main purpose of the Opinion 26 Notice is:
- to disclose to the seller and the purchaser the importance of retaining a lawyer
 - to require the buyer to retain a lawyer
 - to disclose the unauthorized practice of law
 - describe the closing process
27. Beth shows a property that is listed with a different brokerage firm to a buyer she is representing. She presents an offer to the Charan, the listing agent, for less than the listed price. How should Charan deal with this offer?
- Charan should make a counter-offer on behalf
 - Charan must present the offer to the seller within 24 hours
 - Charan should hold on to the offer until her office produces an offer and present them both at the same time
 - Advise Beth that the seller will accept nothing less than a full price offer
28. The attorney review period in a real estate licensee prepared contract begins:
- when the contracts are signed by the parties
 - when the offered is accepted
 - when the contracts are delivered to the parties
 - when the agents are notified by the parties
29. Kevin and Tanya Carter have just signed a contract to purchase a newly constructed single-family home. They then discover that the property is within a one-half mile of a landfill, Under the New Residential Construction off-site Conditions Disclosure Act, how many business days do they have to cancel the contract?
- 3
 - 5
 - 10
 - they do not have the right to cancel the contract

30. With regard to back-up offers:
- A. the seller's agent must present them to the seller until the original transaction closes unless the seller waives this right
 - B. the agent does not have to present back-up offers once the property is under contract and survives attorney review
 - C. the agent has 48 hours to present the back-up offer to the seller
 - D. the New Jersey Real Estate Commission does not require back-up offers to be presented because the seller may be liable for two contract.