

RE TUTOR NV. PRACTICE QUESTIONS

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1. RE commission has the power to revoke a salesperson's license if he:
 - a. attempts to represent a broker other than his/her employer after obtaining the employer's consent
 - b. attempts to represent a buyer
 - c. enters into an exclusive-listing contract
 - d. deposits a buyer's earnest money into his or her own bank account**
2. A broker can have license suspended or revoked for all of the following EXCEPT:
 - a. failing to keep adequate records
 - b. depositing earnest money into the firm's trust account**
 - c. helping another person cheat on the licensing exam
 - d. putting a "For Sale" sign on a property without the owner's consent
3. For which act is the commission required to suspend a licensee's license?
 - a. failing to perform as promised in a guaranteed sales plan
 - b. having unpaid child support**
 - c. commingling others' money or property with his or her own
 - d. failing to balance a trust account and sending in an annual reconciliation
4. A salesperson decides on selling his/her own property without using a broker. When advertising, the salesperson:
 - a. must disclose the name, address and phone number of his/her employing broker
 - b. must disclose the fact that he/she is a licensee**
 - c. doesn't need to disclose licensed status if acting as a private citizen
 - d. is prohibited from selling his/her own home in this manner by license law
5. Real estate commissions are:
 - a. set by law
 - b. set by the division
 - c. determined by local groups of brokers
 - d. negotiable between client and broker**
6. A broker received an earnest money deposit from a buyer. The broker should:
 - a. open a special, separate trust account that will contain funds for this transaction only, separate from funds received in any other transaction
 - b. immediately deposit money into an existing special non-interest-bearing trust account in which all earnest money received from buyers may be held at the same time
 - c. Immediately (or by the next business day) deposit the earnest money into the broker's personal interest-bearing checking or savings account
 - d. Hold the earnest money deposit in a secure place in the broker's real estate brokerage office until the offer is accepted, then deposit into the brokerage trust account or open escrow within one banking day**
7. All of the following must appear in a written listing agreement EXCEPT:
 - a. a statement that the property must be shown to all prospective buyers regardless of race, color, religion, national origin, sex, handicap, or familial status
 - b. the complete legal description of the property being sold**
 - c. the time duration of the listing
 - d. the proposed gross sales price of the property

8. After taking a listing, licensee is obligated to:
 - a. set up a listing file and issue it a number in compliance with specific guidelines established by the commission
 - b. place ads in the local newspapers at least three times per week
 - c. cooperate with every real estate office wishing to participate in the marketing of the listed property whether or not they are members of MLS
 - d. **give person(s) signing the listing a legible, signed, true and correct copy at the time of signing or as soon as practicable thereafter**
9. Every real estate office is required to:
 - a. maintain escrow account records for five years
 - b. **keep transaction records for five years**
 - c. keep transaction records for three years
 - d. keep transaction records for eight years
10. A broker is convicted in July of a felony of possession and distribution of a controlled substance. Both the crime and the conviction took place out of state. In August, the broker calls the division and leaves a message informing the division of the conviction. Based on this, which is true?
 - a. broker has properly informed the division within 60 days after the conviction and the broker's license may be renewed
 - b. **conviction may cause further investigation by the division with a possible complaint filed with the commission**
 - c. because the conviction didn't occur in state, it is not evidence of unworthy conduct
 - d. the conviction is grounds for immediate revocation of a license without a commission hearing
11. Salesperson receives money as a deposit on Wednesday at 3:00 p.m. for an offer that has met the listed price and terms. Salesperson may:
 - a. keep the money since he has found a ready, willing and able buyer
 - b. keep only the money that is his commission
 - c. deposit the funds into his trust account within one banking day
 - d. **only turn the funds over to the broker within one business day**
12. One of the requirements for a registered representative position is that the applicant:
 - a. must pass an examination
 - b. is allowed to sell only under the strict supervision of a broker for the first 90 days
 - c. will receive a license
 - d. **may only induce attendance at an offering or sales promotion and cannot sell**
13. A buyer has purchased land regulated under NRS 119 and cancels within the five days allowed by law. How much time does the broker have to refund the buyer's money?
 - a. 5 days
 - b. 10 days
 - c. **15 days**
 - d. 30 days

14. Which of the following are common interest community association liens that may not be the basis for a foreclosure?
- unpaid regular dues
 - unpaid special assessments for replacements
 - fines for health or safety hazards
 - fines for other violations of the CC&Rs**
15. A broker who is licensed in Montana only wants to sell lots in Nevada as mobile home sites to Montana clients as winter homes. Broker can do this if:
- he relocates to Nevada
 - obtains a cooperating certificate to work through a Nevada broker**
 - maintains all his records in Montana
 - closes escrows in Nevada or Montana
16. An Idaho broker is moving to Nevada and wants to maintain offices in both states. Can he do this?
- not unless he puts his Idaho license on inactivated status
 - no, since he may not hold a license in both states
 - yes, but he must become a Nevada resident
 - yes, he may have both offices, but he must maintain Nevada records in Nevada, not Idaho**
17. A California broker wishes to help her brother-in-law, a Nevada broker, find California buyers for the Nevada broker's resort area listings at Lake Tahoe on the Nevada side only. The following are true regarding a cooperative certificate issued to the California broker EXCEPT that:
- the certificate is valid for two years**
 - only the California broker may obtain a cooperative certificate; her corporation may not
 - the Nevada broker may cooperate with several out-of-state brokers
 - the California broker may not sell land in Nevada to a Nevada resident
18. Commission hearings may result in:
- a judgment for an injured consumer against the licensee
 - criminal prosecution
 - decisions that may not be appealed
 - fines, suspension, revocation, or conditional licensing**
19. Once a Seller's Real Property Disclosure Form has been delivered to the buyer, the buyer has what period of time to rescind based on the report?
- 4 working days**
 - 5 calendar days
 - 10 days
 - until the items are all repaired
20. Regarding an office location, an active broker in Reno, Nevada
- must have an office in Nevada**
 - may not have an office in his or her home
 - may not be further regulated or licensed by the city of Reno where office is located
 - must not have his/her office in conjunction with another business he/she operates

21. A seller's real property disclosure is required for all the following EXCEPT:
- FSBO
 - New home**
 - Resale
 - Home that has been inspected by a certified home inspector
22. All the following are grounds for disciplinary action EXCEPT a licensee:
- trying to negotiate a sale of property directly with an owner before another broker's exclusive listing has expired
 - giving information on a rental to a tenant without the landlord's permission
 - refusing to write a low offer that the licensee feels will not be accepted by the seller
 - refusing to show property to a prospective purchaser due to poor credit**
23. If broker was originally licensed seven years ago and his/her license has been inactive for the last three years, how many hours of CE are needed to reinstate license?
- 15
 - 48**
 - 30
 - 60
24. Waiver of the prelicensing educational requirements for brokers and broker-salespeople is made for active experience as a salesperson according to which pattern?
- 15 credits for every 2 years' active experience
 - 16 credits for every 2 years' active experience within the last ten years**
 - 8 credits for every 1 year's active experience
 - there is no waiver for experience
25. Who is responsible for investigating transaction files and trust records of brokers and owner-developers?
- administrator and Nevada real estate division**
 - secretary of state
 - attorney general
 - Nevada real estate commission
26. Of the following, who must have a real estate license?
- owner of the property being sold or leased
 - executor of an estate
 - bankruptcy trustee or any person acting under court order
 - property manager**
27. A Nevada licensee was suspended under his Arizona license. The licensee:
- may have his Nevada license suspended because of the Arizona suspension**
 - may not be disciplined in Nevada unless the activity had to do with Nevada real estate
 - will automatically lose his Nevada license
 - does not have to disclose the suspension to the Nevada RE Division

28. Which of the following may have an active real estate license?
- depository financial institution
 - division employee
 - person under suspension
 - nonresident of Nevada**
29. Regarding a broker's trust account, the broker:
- may use his/her personal account for clearing earnest money deposits as long as proper records and balances are maintained
 - is not required to have a trust account**
 - must keep a separate trust account for each separate transaction
 - may use the same trust account for both property management as well as general brokerage transactions
30. A broker recently closed her office and went to work for the RE division as the deputy administrator. In this role, the broker:
- may not buy and sell property
 - may not be actively licensed**
 - may not own property
 - must pass the state portion of the examination before her employment
31. An owner-developer may employ all of the following EXCEPT:
- a licensed salesperson
 - a licensed broker**
 - a licensed broker-salesperson
 - unlicensed hostesses
32. A developer must register a subdivision if the minimum number of lots in a subdivision are:
- 12 or more
 - 15 or more
 - 20 or more
 - 35 or more**
33. Broker procures a ready, willing and able buyer for his seller-principal. The seller accepts the buyer's offer in writing then experiences a change of heart and withdraws the acceptance. The broker:
- may well be entitled to collect a commission**
 - cannot collect a commission because the transaction was never completed
 - may sue the buyer
 - may retain the deposit as commission
34. A real estate company has entered into agency agreements with both a seller and a buyer. The buyer is interested in making an offer on the seller's property. Can this occur?
- no, because the real estate company would then be a dual agent
 - yes, as long as written agency agreements have been entered into with both parties
 - yes if the seller has agreed to pay the commission
 - yes, if the buyer and seller both give their consent to dual agency**

35. A salesperson has been working with buyers and they ask the salesperson if she can help them with a home warranty program. The salesperson knows a warranty company that pays a fee for referring purchasers to them. Should the salesperson refer the buyers to this company?
- no, because this would be an unwise referral
 - yes, if the salesperson and the buyers have previously entered into a written buyer agency agreement
 - yes, if the salesperson discloses the referral fee to the buyers and the referral fee is paid through the brokerage**
 - yes, if the company offers the best coverage available in the market
36. A buyer prospect is interested in seeing a house listed with a real estate company but does not wish to enter into a buyer agency agreement. A salesperson can show the buyer an in-house listing if the:
- salesperson obtains the seller's permission
 - buyer verbally agrees to buyer agency
 - salesperson provides the buyer with an agency disclosure that the real estate company represents only the seller**
 - salesperson provides the buyer with a dual agency consent form
37. A seller is required to give a buyer a Seller's Real Property Disclosure Form (SRPD) in ALL of the following transactions EXCEPT:
- when the seller is selling a home without a licensed real estate agent
 - if the seller's property is a three-unit residential building
 - for a sale of commercial property**
 - if the seller has had an inspection of the residential property
38. When must the SRPD form be delivered to the buyer?
- ten days before the closing unless waived in writing and notarized**
 - at the time that the seller agrees to the offer
 - at the time of the home inspection
 - at the time of the closing
39. A seller has no knowledge of any plumbing system problems on the property she is selling. In truth, however, the pipes are seriously corroded and will need to be replaced soon. In the SRPD form, when responding to whether the seller has any knowledge of plumbing system problems, she should respond:
- yes
 - no**
 - unknown
 - seller is not required to respond to this question
40. When a broker is listing a home and asks the seller to complete a SRPD form, which is true?
- the disclosures are optional, and the seller may avoid liability by refusing to make any disclosures about the condition of the property
 - the standard disclosures cover a narrow range of structural conditions only
 - an agent should not advise the seller to ignore any known property conditions
 - Nevada law requires seller to disclose any and all known property conditions**

41. Years ago, a residence was the site of a brutal, highly publicized murder. This home was then sold to an elderly man who contracted the AIDS virus in a blood transfusion and died at the home recently. As the agent for the woman's estate, what are your disclosure responsibilities to prospective purchasers?
- you must disclose both the murder and the AIDS-related death.
 - You are specifically prohibited by law from disclosing either event
 - You are specifically relieved of liability for not disclosing either of these events by Nevada law**
 - You do not need to disclose the murder, but you must disclose the AIDS-related death
42. Three months after a buyer bought a home, the roof leaked during a rainstorm. When a broker listed the home, the seller told him the roof leaked, but they agreed not to tell any prospective buyers. The broker says that the buyer never asked about the roof. With these facts, the buyer:
- can sue the broker for nondisclosure, as disclosure is required by license law**
 - cannot sue the broker under license law
 - can sue the seller under license law
 - cannot do anything because the leaking roof could have been discovered by inspection
- 43A licensee must give the "Duties Owed by a Nevada Licensee" form to prospective purchasers/tenants:
- before they are shown any properties
 - at an open house
 - at the closing table
 - no later than the time of entering an agreement to purchase or lease**
44. All the following are exempt from SRPD form EXCEPT:
- foreclosure sale
 - sale by an aunt to her nephew
 - conveyance of a primary residence from one former spouse to another under a divorce agreement
 - sale by a licensee of a two unit residential property**
45. A salesperson gets a listing and days later meets prospective buyers at the property and tells them "I am the listing agent for this property and am very familiar with it". The salesperson:
- has not yet properly disclosed his/her agency relationship**
 - has properly disclosed his/her agency relationship with the seller
 - is in violation of law, because the listing belongs to the broker
 - has created a dual agency, which is a violation of the law
- 46A broker representing the seller knows that the property has a cracked foundation and that it's former owner committed suicide in the kitchen. The broker must disclose:
- both facts
 - the suicide, but not the foundation
 - the cracked foundation, but disclosing the suicide could constitute a breach of duty to the client**
 - neither fact

47. A buyer wants to see a house listed with ABC Realty but doesn't want to enter into an agency agreement. A salesperson from XYZ Realty can show the house to the buyer if:
- a. **XYZ Realty provides the "Duties Owed by a Nevada Real Estate Licensee" form to the buyer prior to signing a contract**
 - b. ABC Realty obtains XYZ Realty's consent to subagency, and the buyer is given an agency disclosure notice, stating that ABC Realty represents the seller
 - c. Buyer verbally agrees to buyer agency
 - d. This cannot occur
48. A brokerage's relationship as a buyer's agent or seller's agent, dual agent, or assigned agent within the brokerage must be determined, and all necessary agreements must be executed:
- a. at any time after a purchase and sale agreement is executed by the parties
 - b. at the time of the first substantial business contact
 - c. **no later than the time an offer and acceptance agreement is prepared**
 - d. no later than the closing
49. License law is administered by the:
- a. Council on Housing Matters
 - b. **Real Estate Division**
 - c. Nevada Association of Realtors®
 - d. HUD
50. Who needs to have a real estate license?
- a. **person acting as a property manager**
 - b. licensed attorney conveying real estate for an estate he/she represents
 - c. resident apartment manager working for an owner if the manager's primary residence is the apartment building being managed
 - d. partnership selling a building owned by the partners
51. A real estate firm's office manager is responsible for coordinating the flow of paperwork through the office, preparing forms and advertising copy and hiring and supervising clerical personnel. This office manager:
- a. violating the license law
 - b. required to have a broker's license
 - c. required to have a salesperson's license
 - d. **exempt from real estate licensing requirements**
52. A nonresident license applicant must file with the division a:
- a. certificate of specific performance
 - b. **consent to service of process**
 - c. copy of his/her birth certificate
 - d. corpus delicti

53. All of the following statements regarding the commission are true EXCEPT:
- a. **members of commission are selected by the state association of REALTORS®**
 - b. commission makes and enforces the regulations (NAC 645) by which all real estate licensees must abide
 - c. examinations that must be taken by all applicants for real estate licensing are administered by an independent testing company
 - d. the president of the commission, elected from the commission members and serves a term of one year, administers the operation of the commission's activities
54. The resident manager for an apartment house is responsible for negotiating leases for the apartments. In this position, the manager:
- a. must have a salesperson's license
 - b. must have a broker's license
 - c. **is exempt from the licensing requirements**
 - d. is violating the license law
55. All the following are exempt from the provisions of the NRS 645 EXCEPT a(n):
- a. property owner who sells or leases his/her own property
 - b. **individual who receives compensation for procuring prospective buyers or renters of real estate**
 - c. individual who is employed as a resident property manager
 - d. executor of an estate
56. Which would satisfy the continuing education requirement for renewing a license the first time in Nevada?
- a. 12 hour course on using real estate office spreadsheet programs offered by a local community college
 - b. 6 hour course on managing agricultural property offered by an approved CE sponsor
 - c. **30 classroom hours of instruction including 6 hours of law/ethics**
 - d. 15 hours of class instruction, including 9 hours of law/ethics
57. A broker who holds a Nevada license, but whose home state is Iowa, must meet all of the following requirements EXCEPT that he or she:
- a. maintain an office in Nevada
 - b. maintain all documents related to Nevada transactions in Nevada
 - c. **employ at least one Nevada licensee, either as a salesperson or associate broker**
 - d. file a consent to service of process with the administrator
58. A sales contract is signed on June 15. Closing takes place on September 2 and the deed of trust is recorded on September 7. The borrowers first payment is one on November 1. When is the soonest that the broker receive his/her commission check?
- a. June 15
 - b. **September 2**
 - c. September 7
 - d. November 1

59. An aggrieved person is awarded a judgment against a real estate licensee for violation of the NRS 645. Regarding the real estate education, research and recovery fund (ERRF), the aggrieved party has the right:
- to immediately apply to the division for payment from ERRF for the full judgment amount plus court costs and attorney's fees
 - to a maximum award amount of \$50,000 from ERRF, including court costs and attorney's fees
 - to seek satisfaction from the licensee in a private civil action after being compensated from ERRF
 - to a \$25,000 maximum recovery from ERRF**
60. The purpose of ERRF is to:
- ensure licensees have adequate funds available to pay their licensing and continuing education fees
 - provide a means of compensation for actual damages suffered by individuals as a result of the acts of a licensee in violating the license law or committing other illegal acts related to a real estate transaction**
 - protect the commission from claims by individuals that they have suffered a monetary loss as the result of the action of a licensee in violating the license law or committing other illegal acts related to a real estate transaction
 - provide an interest generating source of revenue to fund the activities of the commission
61. The maximum compensation that will be paid from ERRF for any licensee is:
- \$10,000
 - \$100,000**
 - \$25,000
 - \$50,000
62. The minimum balance of the real estate education, research and recovery fund (ERRF) is:
- \$300,000**
 - \$100,000
 - \$250,000
 - \$500,000
63. An individual wants to sell his own house without a real estate licensee. The individual:
- is required to deliver the Seller's Real Property Disclosure Form to a buyer.**
 - is exempt from delivering a Seller's Real Property Disclosure Form because no licensee is involved.
 - may have someone else complete the Seller's Real Property Disclosure Form.
 - Does not have to deliver a Seller's Real Property Disclosure Form unless the buyer requests it.

64. If a broker tells a lender that the sales price on a property is something above its actual sales price, the:
- a. broker has done nothing wrong as long as the appraisal substantiates this price.
 - b. buyer is likely to receive an interest rate break
 - c. **broker can lose his/her license**
 - d. buyer can receive a higher mortgage amount
65. Nevada real estate law requires that the:
- a. broker keep all information confidential that the seller has provided about the property
 - b. disclose everything that the seller has told him or her
 - c. **broker disclose information that materially affects the property even when the buyer does not ask for it and the seller has told the broker to keep it confidential**
 - d. seller disclose any material facts that might affect the sale
66. A licensed salesperson may hold concurrent licenses with more than one Nevada broker under which of the following circumstances?
- a. **under no circumstances**
 - b. with the permission of his/her sales manager
 - c. with the written consent of the brokers holding the licenses
 - d. with the permission of the real estate commission
67. When a broker, acting as a sole proprietor, has his or her license suspended for two years, what effect does this have on the broker-salesperson and the salespeople affiliated with the broker?
- a. licenses will be revoked, subject to reinstatement after one year
 - b. licensees will also be suspended for a two-year period
 - c. suspension has no effect on the licensees
 - d. **licensees have up to 30 days to affiliate with another broker, or their licenses will be inactivated**
68. In any real estate sales transaction that a broker negotiates, the broker is required to do all the following EXCEPT
- a. **inform the buyer of his or her personal opinion of the condition of the seller's title to the property**
 - b. make sure the written purchase and sales agreement includes all the terms of the parties' agreement
 - c. make sure that each party is presented with a copy of the agreement
 - d. keep copies of all documents involved in the transaction in his or her files for five years after the date the transaction was closed or last activity on deal
69. A licensee who allows his or her license to expire has how long to reinstate without incurring a monetary penalty?
- a. **no grace period**
 - b. 30 days
 - c. no more than one year
 - d. 60 days

70. The financial suitability requirement for a broker's license requires
- the submission of an audited financial statement prepared by the broker's CPA
 - the broker's last two income tax returns
 - the broker's profit and loss statements for the last three years
 - proof of sufficient assets or income to maintain an office for 180 days and a credit report**
71. A person is applying for a license as a broker. He or she must do all of the following EXCEPT:
- provide his or her business location and any fictitious names that are going to be used
 - provide a three-year work history**
 - supply a statement of his or her previous real estate experience
 - disclose any past felony convictions or real estate license suspension or revocation
72. Broker Tory listed widow Emma's property at an 8 percent commission. After the property was sold and the settlement has occurred, Emma discovered that Tory had been listing similar properties in the area at a 6 percent commission rate. Based on this information:
- broker Tory has done nothing wrong**
 - broker Tory can lose his license
 - widow Emma can cancel the transaction
 - widow Emma is entitled to a refund
73. On Monday, Bill offers to sell his residence to Tom for \$158,000. On Tuesday, Tom counter-offers to buy the property for \$155,000. On Friday, Tom withdraws his counteroffer and accepts Bill's original price of \$158,000. Under these circumstances, there is
- a valid agreement because Tom accepted Bill's offer exactly as it was made, regardless that it was not accepted immediately
 - a valid agreement because Tom accepted before Bill advised him that the offer was withdrawn
 - no valid agreement because Bill's offer was not accepted within 72 hours of its having been made
 - no valid agreement because Tom's counteroffer was a rejection of Bill's offer, and, once rejected, it cannot be accepted later**
74. Larry, who wants to sell his house, enters into a listing agreement with Broker Roger. Broker Frank obtains a buyer for the property, and Roger does not receive a commission. The listing agreement between Larry and Roger was probably a(n)
- exclusive-right-to-sell listing
 - exclusive-agency listing
 - open listing**
 - multiple listing
75. Which of the following items is usually NOT prorated between the seller and the buyer at the closing?
- recording charges**
 - real estate taxes
 - prepaid rents
 - utility bills

76. A cloud on the title to a property may be cured by
- a. bringing an action to repudiate the title
 - b. paying cash for the property at the settlement
 - c. obtaining quitclaim deeds from all interested parties**
 - d. bringing an action to register the title
77. The Uniform Settlement Statement (HUD Form 1) must be used to illustrate all settlement charges for
- a. all real estate transactions
 - b. transactions financed with FHA insured and VA guaranteed loans only
 - c. residential transactions financed with federally related mortgage loans**
 - d. all transactions in which mortgage financing is involved