

*Modern Real Estate Practice in Illinois, 6<sup>th</sup> Edition*  
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**Chapter 6 Review Quiz**

1. A listing agreement may be terminated for any of the following reasons *EXCEPT* the
  - a. sale of the property.
  - b. death of the salesperson.
  - c. agreement of the parties.
  - d. destruction of the premises.
  
2. By executing a listing agreement with a seller, a real estate broker has become
  - a. a procuring cause.
  - b. obligated to open a special trust account.
  - c. an agent of the seller.
  - d. responsible for sharing commissions.
  
3. The provision in a listing agreement that gives additional authority to the broker and obligates the broker to distribute the listing to other brokers is a(n)
  - a. joint listing clause.
  - b. multiple listing clause.
  - c. net listing clause.
  - d. open listing clause.
  
4. Broker Wayne took a listing on a property and shortly thereafter discovered that his client had been previously declared incompetent by the court. The listing now is
  - a. binding as the broker was acting in good faith.
  - b. still valid.
  - c. the basis for commission if the broker produces a buyer.
  - d. void.

5. The type of listing agreement that provides for the payment of a commission to the broker even though the owner makes the sale without the aid of the broker is called a(n)
  - a. exclusive-right-to-sell listing.
  - b. open listing.
  - c. exclusive-agency listing.
  - d. option listing.
  
6. A property owner lists his property for sale with a broker. During the negotiations, the owner told the broker that the owner wanted \$238,000 for the property, and anything above that amount the broker could keep as his commission. The listing with this type of provisions is known as a
  - a. gross listing.
  - b. net listing.
  - c. open listing.
  - d. non-exclusive listing.
  
7. Under which of the following listing agreements can the owner of listed property sell the property on his or her own without having to pay the listing broker a commission?
  - a. Exclusive-right-to-sell listing only
  - b. Exclusive-agency listing only
  - c. Open and exclusive-agency listing
  - d. Open listing only
  
8. A property owner signed a 90-day listing agreement with a broker. The owner was killed in an accident before the listing expired. Now the listing is
  - a. binding on the owner's spouse for the remainder of the 90 days.
  - b. still in effect as the owner's intention was clearly defined.
  - c. binding only if the broker can produce offers to purchase the property.
  - d. terminated automatically upon the death of the principal.

9. A listing agreement in which the broker's commission is contingent on the broker being able to produce a buyer before the property is sold by the owner or another broker is called a(n)
- a. open listing.
  - b. net listing.
  - c. exclusive-right-to-sell listing.
  - d. exclusive-agency listing.
10. A broker who represents a seller under an exclusive listing receives two offers for the property at the same time, one from one of his salespeople and one from a salesperson of a cooperating broker. What should the broker do?
- a. Submit the offer from his salesperson first
  - b. Submit the offer from the other salesperson first
  - c. Submit the higher offer first
  - d. Submit both offers at the same time
11. Broker Paul listed the Kennedy's property for sale under an exclusive-right-to-sell agreement. One of Paul's salespeople, Tanya, obtained an offer to purchase the property along with a certified check for 5 percent of the purchase price as earnest money. What should Tanya do with the earnest money check?
- a. Give it to the Kennedy's
  - b. Hold it until the closing
  - c. Deposit the money in her trust account
  - d. Give the money to Paul for deposit in his trust account
12. All of the following are typical provisions of a listing agreement *EXCEPT* the
- a. price the seller is asking for the property.
  - b. date the broker will schedule an open house.
  - c. commission rate to be paid to the listing broker.
  - d. responsibilities of the broker.
13. The type of listing agreement that provides the least protection for the listing broker is the
- a. exclusive-right-to-sell listing.
  - b. exclusive-agency listing.
  - c. open listing.
  - d. net listing.

14. A seller refused to pay a commission to the broker even though there was a valid listing agreement and the broker procured a buyer for the property. What can the broker do?
- Sue the seller in court for the commission
  - File a lien on the seller's property for the amount of the commission
  - Obtain an injunction to stop the transaction until the commission is paid
  - Collect the commission from the buyer
15. Under an exclusive agency listing, the listing broker would *NOT* be entitled to a commission if
- the broker presents a full price offer from a qualified buyer.
  - the property is sold through another broker.
  - the property is sold through the multiple-listing service.
  - the seller exchanges the property with a neighbor across the street who has her property listed with another broker.
16. Which of the following is *NOT* a type of listing contract?
- Open listing
  - Exclusive agency
  - Exclusive right-to-sell
  - MLS mediation agreement
17. A listing agreement may be terminated by all of the following *EXCEPT*
- mutual agreement.
  - operation of law.
  - because the seller can't find another house to buy.
  - impossibility of performance.
18. A broker enters into a listing agreement with a seller in which the seller will receive \$12,000 from the sale of a lot and the broker will receive any sale proceeds over this amount. This type of listing is a(n)
- gross listing.
  - legal and ethical way to ensure that the broker is compensated.
  - exclusive agency.
  - net listing.

19. An owner lists her property for sale with a broker. Another broker, however, finds a buyer for the house. The listing broker did not receive a commission from the sale. The type of listing contract between the owner and the broker could have been a(n)
- a. exclusive right-to-sell.
  - b. exclusive agency.
  - c. open listing.
  - d. multiple listing.
20. An owner who is interested in selling his house is usually concerned about how much money he can get when it sells. A comparative market analysis may help the seller determine a realistic listing price. Which of the following is *TRUE*?
- a. A comparative market analysis is the same as an appraisal.
  - b. A broker, not a salesperson, is permitted to prepare a comparative market analysis.
  - c. A comparative market analysis is prepared by a certified real estate appraiser.
  - d. A comparative market analysis contains a compilation of other similar properties that have sold.
21. Two different brokerage companies claimed they were entitled to a commission from the sale of a property that was listed by one of the firms under an open listing agreement. The broker who is entitled to the commission is the one who
- a. listed the property.
  - b. advertised the property.
  - c. obtained the first offer.
  - d. was the procuring cause of the sale.

**IN ILLINOIS . . .**

22. In Illinois, if a broker is taking a listing and asks the seller to complete a disclosure of property conditions, which of the following statements is true?
- a. The disclosures are optional, and the seller may avoid liability by refusing to make any disclosures about the condition of the property.
  - b. The standard disclosures cover a narrow range of structural conditions only.
  - c. An agent should give the seller advice regarding which property conditions to disclose and which to ignore.
  - d. Seller disclosure of property conditions is required by Illinois statute.

23. 614 Stevenson Street in Peoria is owned by Walter. Walter lives in Chicago, and the house in Peoria is occupied by married couple, Chris and Debbie. If Walter wants to sell the property, who is required by law to sign the listing agreement?
- Walter and Chris and Debbie, because they are a married couple
  - Walter only
  - Walter as owner and Chris and Debbie as tenants in possession regardless of their marital status
  - Chris and Debbie only, because of their marital homestead interest
24. Which of the following is *NOT* required to appear in a written Illinois listing agreement?
- A statement that the property must be shown to all prospective buyers regardless of race, color, religion, national origin, sex, handicap or familial status.
  - The complete legal description of the property being sold.
  - The time duration of the listing.
  - The proposed gross sales price of the property.
25. Kendra is an Illinois real estate licensee and the listing agent for a home. After one month of the three-month listing has gone by without any offers on the property, Kendra becomes concerned. At the time the listing agreement was signed, Kendra and the sellers orally agreed that if no offers were received after one month, the price of the property would be reduced by ten percent. Because the sellers are out of town, Kendra crosses out the old listing price, writes in the new one, and then updates the information on the computerized listing service. Three days later, a prospective buyer comes into Kendra's office to make an offer on the property. Based on these facts, which of the following statements is *TRUE*?
- Illinois licensees are prohibited by law from making any addition to, deletion from or other alteration of a written listing agreement without the written consent of the principal.
  - While alteration of a written listing agreement is usually prohibited by Illinois law, Kendra acted properly in this situation because the sellers were out of town.
  - Changing the listing price of a property is a matter of professional discretion, and Illinois licensees are permitted to make alterations to that aspect of a listing agreement only without the written consent of the principal.
  - While alteration of a written listing agreement is usually prohibited by Illinois law, Kendra acted properly in this situation because of the prior oral agreement with the sellers.

26. Which of the following is *TRUE* of listing agreements in Illinois?
- a. All listing agreements must be in writing to be legal.
  - b. All exclusive listing agreements must be in writing to be enforceable.
  - c. Open listing agreements are illegal.
  - d. Net listings are not legal in Illinois.
27. Which of the following is true of guaranteed sale agreements in Illinois?
- a. They are illegal.
  - b. They must be in writing.
  - c. They may be either written or oral.
  - d. They provide for a refund of the pre- paid retainer if the property fails to sell with a specific period.
28. Which of the following constitutes grounds for the suspension or revocation of a real estate license?
- a. Failure to specify a termination date in a listing agreement
  - b. Inclusion of a multiple-listing clause in a listing agreement
  - c. Entering into a guaranteed sales agreement
  - d. Encouraging a seller to agree to a net listing