

Modern Real Estate Practice in Illinois, 6th Edition
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Chapter 14 Review Quiz

1. Rules and regulations adopted by government agencies
 - A. serve as general guidelines only.
 - B. are used to administer and enforce legislative acts.
 - C. may not prescribe penalties for violations.
 - D. do not have the force and effect of legislative acts.

2. Broker Wayne, in the course of selling a home to Nicole, told her that the foundation was "solid as a rock" when he knew for a fact that it was slowly sinking into the landfill on which it was built. In this situation, Wayne may be subject to any of the following *EXCEPT*
 - A. having his real estate license revoked.
 - B. being sued for criminal damages.
 - C. being sued civilly for damages.
 - D. being sued criminally for fraud.

3. A salesperson's license generally must be
 - A. kept in the salesperson's own office.
 - B. carried by the salesperson at all times.
 - C. retained in the office of the employing broker.
 - D. retained by the salesperson at his or her residence.

4. Before a real estate license can be suspended or revoked, the licensee is usually entitled to
 - A. representation in court by the state's attorney.
 - B. a hearing before the jurisdiction's licensing authority.
 - C. a probationary period.
 - D. an opportunity to make restitution for any financial misdealings.

5. A licensed real estate salesperson may represent
 - A. any owner who employs him or her.
 - B. not more than one owner at one time.
 - C. only the broker under whom he or she is licensed.
 - D. more than one broker, depending on the parties to the transaction.

6. As a licensed real estate salesperson, which of the following is required of you when you are selling your own property?
 - A. You must list it with your employing broker.
 - B. You must list it with another impartial broker.
 - C. You must inform all prospective purchasers that you are a real estate license.
 - D. You must inform prospective purchasers of your real estate license only if they inquire about it.

7. A broker cannot legally collect commissions from both the seller and the buyer without
 - A. notifying both parties of this fact verbally after the sale has closed.
 - B. notifying both parties of this fact in writing after the sale has closed.
 - C. having exclusive listing agreements signed by both the seller and the buyer.
 - D. the prior knowledge and written consent of both the seller and the buyer.

8. Generally, anyone who acts for another person in matters concerning the sale or lease of real estate must be licensed *EXCEPT* a person who is
 - A. personally representing a dealer in real estate.
 - B. acting under a power of attorney.
 - C. a relative of the party.
 - D. a next-door neighbor of the seller.

9. A broker receives a check for earnest money from a buyer and deposits the money in an escrow account. By doing this she protects herself from a charge of
 - A. commingling.
 - B. novation.
 - C. lost or stolen funds.
 - D. embezzlement.

10. Under the real estate licensing law, a salesperson is authorized to
- A. sign a settlement statement.
 - B. collect a commission directly from the principal.
 - C. advertise a property under his or her own name.
 - D. act under the broker's supervision.
11. What is the purpose of the real estate recovery fund?
- A. To protect the public from dishonest salespeople
 - B. To provide a pool from which to collect unpaid commissions
 - C. To allow an award to be given to a member of the public who has been economically injured by a licensee.
 - D. To pool monies from broker's escrow accounts
12. Who administers the Illinois Real Estate License Act?
- A. The governor, acting through the secretary of state
 - B. The Illinois Real Estate Commission
 - C. The Illinois Office of Banks and Real Estate
 - D. The Illinois Licensure Board
13. Who of the following is exempt from Illinois real estate licensing requirements?
- A. A person who sells real estate options
 - B. An employee of the Illinois Department of Conservation who regularly buys and sells park land
 - C. A person who collects rent for the use of real estate
 - D. A person who employs leasing agents
14. Any unlicensed person who engages in real estate activities for which a license is required is subject to a civil penalty, in addition to other statutory penalties. What is the civil penalty in Illinois?
- A. A fine of \$1,000 for each offense
 - B. A fine of \$25,000 for each offense
 - C. A fine of \$10,000 for each offense
 - D. A fine of \$5,000 for each offense

15. When does a salesperson's license expire?
- A. April 30 of each year
 - B. January 31 of every even-numbered year
 - C. April 30 of every odd-numbered year
 - D. April 30 of every even-numbered year
16. When does a broker's license expire?
- A. January 1 of each year
 - B. April 30 of every even-numbered year
 - C. April 30 of every odd-numbered year
 - D. October 31 of every third year after his or her original licensing date
17. What is the statute of limitations on actions that may result in a collection from the Real Estate Recovery Fund?
- A. 1 year
 - B. 2 years
 - C. 4 years
 - D. 6 years
18. Licensing for which of the following is required in Illinois?
- A. Real estate salespersons who work on a part-time basis (fewer than 20 hours per week)
 - B. Leasing agents
 - C. LLC's engaged in real estate activities
 - D. All of the above
19. A candidate can receive a waiver of the broker courses for all of the following reasons
- A. being a licensed attorney.
 - B. being a member of the legislature.
 - C. having a bachelor's degree with a major in business related courses.
 - D. having a master's degree with a major in real estate related courses.

20. Salespersons may create a corporation that is limited in the following fashion
- A. A broker must control 51% of ownership.
 - B. The salesperson cannot own more than 49% of the corporation.
 - C. The corporation can be used only to accept compensation from their broker.
 - D. The corporation must be registered with the Secretary of state.
21. The license law of 2000 makes it possible for a candidate
- A. to act as both an independent contractor and employee of the sponsoring broker.
 - B. to become a broker without attaining a salesperson's license.
 - C. to complete 75 hours of course work as the credential for taking the broker's test.
 - D. to renew his or her license every four years.
22. All of the following rules must be followed in the handling earnest monies *EXCEPT*
- A. the monies must be placed in a non-interest bearing account.
 - B. the records must be kept for ten years.
 - C. the monies must be placed in a federally insured depository.
 - D. the monies must be deposited in the escrow account within one day of contract formation.
23. Brokers and salespersons must renew their licenses
- A. by April 30.
 - B. by March 30 and January 1
 - C. by October 31.
 - D. in the even years.
24. Brokers must keep escrow account records for
- A. one year.
 - B. two years.
 - C. four years.
 - D. five years.

25. Sponsoring brokers must submit staff termination documents to OBRE
- A. immediately
 - B. within 24 hours of termination.
 - C. within two days of termination.
 - D. within 15 days.
26. Salespersons who apply for licensee renewal *MUST* have completed how many hours of continuing education per year?
- A. Three
 - B. Four
 - C. Six
 - D. Eight
27. If there is a dispute between parties regarding escrow money, the broker shall
- A. move the funds to an interest-bearing account.
 - B. continue to hold the deposit.
 - C. return the funds to the parties within two days.
 - D. negotiate a fair and equitable distribution of funds within five business days.