Appendix A Quiz

1. A real estate licensee with a newly issued *provisional broker* license
   a. has a total of three years to complete all post-licensing requirements or the license will be cancelled.
   b. must complete annual continuing education requirements prior to the first license renewal to keep the license active.
   c. must be affiliated with a supervising broker-in-charge to activate the license.
   d. does not have to complete any continuing education hours in the years that post-licensing coursework is completed.

2. In the course of selling a home to a buyer, a broker told the buyer that the home’s 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, the broker’s conduct would be *BEST* defined as a
   a. willful omission.
   b. willful misrepresentation.
   c. negligent omission.
   d. negligent misrepresentation.

3. A licensee’s pocket renewal card must be
   a. swiped through electronic lockboxes to gain entry to listed properties.
   b. carried by the licensee when conducting real estate brokerage activities.
   c. prominently displayed in the office of the employing broker.
   d. retained by the licensee at the licensee’s residence.

4. Prior to suspending or revoking the real estate license of a provisional broker, the Real Estate Commission will
   a. provide an attorney if the broker cannot afford one.
   b. hold a hearing where the licensee can be present with legal counsel.
   c. allow the provisional broker to remove provisional status.
   d. require the licensee to correct any post-licensing and continuing education deficiencies.

5. A real estate agent who is licensed as a provisional broker may be an associate of
   a. any clients who employ the real estate agent directly.
   b. more than one broker at one time.
   c. only the firm that his supervising broker-in-charge represents.
   d. the buyer and seller in the same transaction as designated agent.
6. In order to qualify as broker-in-charge, a licensee must possess all of the following
EXCEPT
a. the minimum experience (or the equivalent) required by the Commission.
b. an active broker license.
c. a real estate firm license.
d. the requisite character in order to be of no threat to the public.

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 for compensation in matters concerning
the sale or lease of real estate must be licensed EXCEPT
a. a person who is personally representing a dealer in real estate.
b. anyone acting under a power of attorney.
c. a relative of the party.
d. a next-door neighbor.

9. North Carolina enacted a real estate license law for all of the following purposes
EXCEPT
a. to protect the public from dishonest licensees.
b. to maintain minimum income levels for licensees.
c. to prescribe qualifications and standards for licensees.
d. to maintain minimum education levels for licensees.

10. When the license of a broker-in-charge is suspended or revoked, the provisional brokers
under the supervision of that broker-in-charge must
a. find a new employing broker in order to continue practicing brokerage.
b. immediately qualify to remove their provisional status.
c. stop listing and selling property after completing any pending transactions.
d. complete an additional eight hours of continuing education.

11. A broker receives an earnest money deposit from a buyer. In accordance with
Commission Rules, the broker deposits the money into a trust account. Had the broker
mistakenly deposited the money into the firm’s general operating account, the broker
could be charged with
a. commingling.
b. a novation.
c. possessing lost or stolen funds.
d. embezzlement.
12. Under real estate license law, a provisional broker is authorized to
   a. sign a sales contract on behalf of the client.
   b. collect a commission directly from the principal.
   c. advertise a property solely under the broker’s personal name.
   d. act under a broker’s supervision.

13. A non-licensed assistant may do all of the following EXCEPT
   a. answer telephone questions concerning basic factual details about the property.
   b. schedule listing and showing appointments.
   c. complete contract forms for customers.
   d. show rental properties managed by the employing broker.

14. A North Carolina licensee who has paid the yearly renewal fee, but has not completed the
   required continuing education by June 10 of the previous license year has the license
   status of
   a. inactive.
   b. active.
   c. expired.
   d. canceled.

15. How many members compose the North Carolina Real Estate Commission?
   a. 7
   b. 8
   c. 9
   d. 10

16. Which of the following statements is TRUE?
   a. The North Carolina Real Estate Commission can fine a licensee $500 for each
      violation of License Law.
   b. A violation of License Law or North Carolina Real Estate Commission Rules is a
      criminal offense and may be prosecuted in a court of law.
   c. If a licensee violates License Law or North Carolina Real Estate Commission
      Rule, the court system may revoke the licensee’s real estate license.
   d. The North Carolina Real Estate Commission may not fine time share developers.

17. Which of the following is NOT considered to be a material fact in North Carolina?
   a. A structural defect in the property
   b. An upcoming change to the zoning of the property
   c. A pending foreclosure sale
   d. A convicted sex offender residing nearby

18. A licensee must notify the commission of all of the following EXCEPT
   a. a change in business name.
   b. being charged with a DUI.
   c. having a suspension of licensee’s cosmetology license.
   d. a change in residence address.

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19. A real estate license is required for all of the following *EXCEPT*
   a. listing real estate for sale or rent.
   b. conducting a real estate auction.
   c. selling personally owned real property.
   d. referring a party to a real estate licensee, if done for compensation.

20. Which of the following statements is *TRUE*?
   a. A bank used for holding trust funds must be physically located in North Carolina.
   b. A provisional broker may deposit funds into the broker’s trust account.
   c. Cash must be deposited immediately, but no later than three days following receipt.
   d. Payments made by methods other than cash must be deposited within five days following receipt.

21. A North Carolina provisional broker may advertise a property only if the broker
   a. personally listed the property.
   b. uses the employing broker’s name or the firm’s name in the advertisement.
   c. personally pays for the advertisement.
   d. is an active member of the local real estate board.

22. A North Carolina provisional broker obtained an offer for a property listed with his firm along with a check for earnest money. The provisional broker should
   a. give the earnest money check to the sellers within three banking days of their acceptance of the offer.
   b. hold the check until the settlement meeting.
   c. deposit the check into his trust account within three days of acceptance.
   d. immediately turn the check over to his broker-in-charge.

23. Active real estate brokers are required to do all of the following *EXCEPT*
   a. inform the Commission of any changes in brokerage office policies.
   b. take eight hours of continuing education each year.
   c. pay a yearly license renewal fee to the NCREC.
   d. notify the NCREC of any change in business name.

24. How long is a broker required to retain records relating to brokerage transactions?
   a. 2 years
   b. 3 years
   c. 5 years
   d. 1 year
25. A broker-in-charge has delegated managing the trust account to her office manager. The NCREC performs a routine audit to find that the company has been commingling funds. Who will the North Carolina Real Estate Commission hold liable?
   a. Office manager
   b. Broker-in-charge
   c. Both, the office manager and the broker-in-charge
   d. Neither, the office manager and the broker-in-charge