

## Chapter 2 Question Bank

1. The preferred listing among real estate professionals which precludes other competing brokers and agents from marketing the property being sold is called a(n) \_\_\_\_\_.
2. A listing in which a broker receives a commission, only when the broker finds the buyer, is called \_\_\_\_\_.
3. Caveat Emptor means \_\_\_\_\_.
4. Brokers and agents owe their client a \_\_\_\_\_ duty, which includes acting in good faith and disclosing material facts which may impact a purchaser's decision.
5. MLS stands for \_\_\_\_\_.
6. Listings are held by property owners.  
A. True            B. False
7. A Net Listing Agreement rewards the broker/agent for an aggressive sales price.  
A. True            B. False
8. Caveat Venditor is being replaced by Caveat Emptor.  
A. True            B. False
9. A latent defect can be easily detected by a prospective buyer.  
A. True            B. False
10. A Flat Fee Listing is very popular with brokers and agents.  
A. True            B. False
11. A Property Disclosure Statement is unnecessary in the real estate transaction.  
A. True            B. False
12. Discrimination is a punishable offense relating to a real estate transaction.  
A. True            B. False
13. What are the five types of misrepresentations recognized by courts in real estate transactions?
14. Define the "implied warranty of habitability."
15. What is the purpose of the Property Disclosure Statement?
16. Name the three situations in which the purchaser's duty to inspect defects is strong.
17. A listing where the broker and agent agree to a predetermined commission, despite the

amount of the sale price, is called a(n)

- A. Open Listing
- B. Flat Fee listing
- C. Net Listing
- D. Exclusive Agency

18. When an agent retains all rights, including the right to preclude the seller from selling their property, they have agreed to:

- A. Open Listing
- B. Exclusive Right to Sell
- C. Exclusive Agency
- D. Net Listing

19. For many years, the buyer's protection largely depended upon whether the seller's misrepresentations were:

- A. Innocent, fraudulent, reckless
- B. Silent, negligent, fraudulent
- C. Innocent, ignorant, malevolent
- D. Malevolent, silent, innocent

20. Which of the following fiduciary obligations demands that the agent relay facts or conditions that affect the value of the property?

- A. Reasonable Care & Diligence
- B. Obedience
- C. Loyalty
- D. Disclosure

**Essay**

Discuss the similarities and differences of an Exclusive Listing, and Exclusive Right to Sell Listing, a Net Listing and an Open Listing.

## CHAPTER TWO

1. exclusive listing or exclusive right to sell
2. Open Listing
3. “Let the buyer beware”
4. Fiduciary
5. Multiple Listing Service
6. B. False
7. A. True
8. B. False
9. B. False
10. B. False
11. B. False
12. A. True
13. Fraudulent  
Reckless  
Negligent  
Innocent  
Silent
14. When a seller sells he implies the thing he sells has value. By selling a house the seller impliedly warrants its fitness as a dwelling.
15. It is the seller’s report on the current condition of their home, with representations on occupancy, soil and boundaries, roof, pests, structural quality, plumbing, basement and garage, additions, heating, air conditioning, electric system, appliances, and environmental concerns contained therein. It puts the buyer on notice on the condition of the property and protects the honest seller.
16. (1) when the defect is obvious; (2) when the realtor is not the purchaser’s agent; and (3) when the realtor’s representation is vague
17. B. Flat Fee listing
18. C. Exclusive Agency

19. C. Innocent, ignorant, malevolent
20. D. Disclosure