1. Which of the following do NOT require a real estate license?
   A. Auctioning of Real Property
   B. A firm selling its own property through the actions of its own employees
   C. Offering to buy property for another as an agent
   D. Offering to list property for another as an agent

2. Which of the following does NOT require a real estate license?
   A. Guardian
   B. Attorney-in-fact
   C. Trustee
   D. All of the above

3. An unlicensed salaried assistant of a real estate broker is soliciting listings for her broker
   A. This is legal as long as the broker does the actual listing presentation and contracting.
   B. This is legal as long as the assistant is not paid any portion of the commission
   C. It is not legal for the unlicensed assistant to solicit listings for her broker
   D. This is not legal unless the assistant and the broker have permission from the Broker-in-charge

4. The North Carolina Real Estate Commission has the authority to:
   A. Regulate commissions or fees charge by licensees
   B. Discipline a Realtor® for breach of the code of ethics.
   C. Fine a licensee for violation of license law
   D. Fine a developer whose agent violates the North Carolina Time Share Act

5. A Real Estate licensee obtains his/her real estate license in August. When will they first need to have continuing education?
   A. When a disciplinary action has commenced against the licensee
   B. When they renew their license the first time
   C. When they renew their license the second time
   D. Within 120 days of becoming a Broker-in-Charge and every five years thereafter

Remember!
You must take 90 hours of Post-Licensing classes within 3 years of obtaining your license.
www.hpwreschool.com
6. A licensee must notify the North Carolina Real Estate Commission…

A. Within ten days of a change of their residence address
B. Of all criminal convictions by the time of license renewal
C. Of a change of name within 30 days
D. Of all disciplinary actions taken by any governmental licensing authority within 10 days of the action

7. In North Carolina, the Broker-in-Charge must

I. Adequately supervise all provisional broker licensees in their office
II. Must adequately supervise all broker licensees in their office.

A. I only
B. II only
C. Both I and II
D. Neither I nor II

8. Designated Agency in North Carolina is considered

I. A form of Dual Agency
II. Mandatory if you practice Dual Agency

A. I only
B. II only
C. Both I and II
D. Neither I nor II

9. Designated Agency can be practiced

I. Between two firms
II. Between a Broker-in-Charge and a provisional broker licensee in their office

A. I only
B. II only
C. Both I and II
D. Neither I nor II

Remember!
You must take 90 hours of Post-Licensing classes within 3 years of obtaining your license.
www.hpwreschool.com
10. A salesperson licensee has deliberately misrepresented a material fact about a house that has been listed with her firm. Who has liability to the injured party in the case?

A. The provisional broker licensee  
B. The provisional broker's Broker-in-Charge  
C. The seller of the property  
D. All of the above

11. A Broker-in-Charge may represent both the buyer and seller in the purchase and sale of a property if…

A. He acts in a designated agency capacity  
B. Both parties agree in writing  
C. The broker tells each party that he will be working in this capacity  
D. This is never allowed under North Carolina Real Estate Commission Rules and Regulations

12. What is required in order to practice Designated Agency?

I. That no material facts have been learned by either party prior to the agent being named as designated agents  
II. A listing agent can practice designated agency with both his seller and buyer clients as long as both have consented in writing

A. I only  
B. II only  
C. Both I and II  
D. Neither I nor II

13. Broker licensees are required to have a trust account

A. Always  
B. Never  
C. If they need one  
D. For every client

14. Which of the following is not an example of commingling trust money?

A. Up to $100 of the firm's money to cover service charges  
B. Earnest money deposits  
C. Down payments  
D. Monies for final settlement
15. A buyer makes an offer in which the seller counteroffers for more money. The buyer verbally accepts but later refused to sign the offer. The seller now disputes the return of the buyer's deposit and demands the agent give him the money. What must the broker do with the deposit?

A. Return it to the buyer since there was no written contract
B. Give it to the seller once the seller signs a written release for the broker
C. Hold it in his trust account until he obtains written permission from the parties or court order
D. He should split the deposit equally and return it to the buyer and seller

16. What is the maximum amount of his personal funds that a broker can keep and maintain in his trust account?

A. None
B. $100
C. $200
D. Whatever amount the bank requires

17. How many days does a salesperson licensee have to deposit earnest deposits in the trust account?

A. No later than three banking days from receipt
B. No later than three banking days from acceptance
C. The same day received
D. None

18. In order to place trust monies in an interest-bearing account

I. The broker must have written permission from the buyer and seller
II. The written permission must stipulate who is to receive all or a portion of the interest

A. I only
B. II only
C. Both I and II
D. Neither I nor II

Remember!
You must take 90 hours of Post-Licensing classes within 3 years of obtaining your license.
www.hpwreschool.com
19. Larry Agent has reviewed the “Working with Real Estate Agents” brochure with his buyer. The buyer verbally agrees to have Larry show him some houses as a Buyer Agent. Larry has located a house listed with his firm that the buyer wants to purchase. In addition to the offer they also prepare a written Buyer Agency as well as a written Dual Agency Agreement without allowing for Designated Agency. Which of the following is true?

A. All Agency documentation must have been in writing at the time of first customer contact
B. Larry must have had his Dual Agency Agreement in writing before showing the house
C. Larry should have entered into a verbal Dual Agency Agreement before showing the listing to the buyer
D. Larry has complied with all required agency disclosure and documentation requirements

20. Barney Buyer is visiting an open house held by Howard Perry and Walston Realty. He tours the house but decides this is not really the house for him. He thanks the agent as he starts to leave. Which of the following statements is correct regarding this situation?

A. First substantial contact never occurred and no further agency disclosure was required
B. First substantial contact occurred as soon as Barney entered the house and he should have been given the “Working with Real Estate Agents” brochure at the time.
C. The agent was required to have Barney sign a written Buyer Agency Agreement before allowing him to tour the home.
D. The agent was required to at least have an oral Buyer Agency Agreement with Barney before allowing him to tour the home

21. An agent must have the buyer sign a written agency agreement by what specific point in time?

I. At the time of first substantial contact
II. At the time the agent will present an offer on the Buyer’s behalf
III. At the time the agent attempts to limit the buyer’s ability to work with another agent

A. I only
B. I and II only
C. II and III only
D. I, II and III
22. The Broker-in-Charge of a Real Estate office is legally responsible for which of the following?

I. The proper handling of all trust account related monies involving transactions at that office.
II. Making certain that all broker and provisional brokers working in their office practice in accordance with real estate license law and Commission rules

A. I only
B. II only
C. Both I and II
D. Neither I nor II

23. A Broker has just discovered a major defect in one of his current listings even though the seller has indicated “No Representation” on the Residential Property Disclosure Statement. The listing broker does not inform her selling agent of the defect and since the defect is hidden, the selling agent does not discover or disclose the problem to his buyer. According to the North Carolina Real Estate Commission, who is held responsible for this non-disclosure?

A. The listing broker
B. The listing broker and the selling broker
C. The seller and the listing broker
D. The seller

24. Ricardo is showing the buyer a house in the capacity of Seller Sub-Agent. Prior to being shown any houses the buyer indicates to Ricardo that it is essential he have a fence erected around the back yard of any house he purchases. Ricardo finds the perfect house for the buyer but it does not have a fenced in backyard nor does the listing information sheet indicate whether fences are allowed or not. Ricardo does not inquire of the listing agent anything about a fence. The buyer purchases the house and later learns that he cannot erect a fence. Which of the following statements regarding these facts are true?

A. The listing agent had duty to disclose in the listing information sheet that fences were not permitted
B. Ricardo had a duty to determine if fences were permitted even though the listing information sheet did not indicate anything regarding fences.
C. Since Ricardo and the listing agent are acting in the capacity of Seller Sub-Agent, they have no responsibility to determine if fences are permitted
D. Since the buyer did not have a buyer agent in the transaction, it is solely his responsibility to check into the permissibility of having a fence.
25. A seller was so pleased with the manner in which a salesperson handled the listing and sale of her property that she decided to pay a bonus to the salesperson of $500. This is legal provided…

A. The seller pays it directly to the provisional broker
B. The provisional broker first obtains his brokers permission
C. The broker shares in the commission
D. The seller pays the bonus directly to the Broker-in-Charge who then pays the provisional broker

26. A buyer makes a written offer to purchase a property and includes a $2,500 earnest money deposit. The seller counteroffers for more money. The buyer verbally accepts. The listing agent deposits the money in the trust account at this point in time. When the buyer receives the seller’s counteroffer he refuses to sign even though he had verbally agreed earlier. The seller is angry and tells the buyer that he will not return the earnest deposit since the buyer had reneged on his word. In fact, the seller demands that the listing agent give him the deposit. What must the real estate agent do regarding the earnest money in this situation?

A. He must give it back to the buyer because the contract was not accepted in writing
B. He must retain the deposit in the trust account until he obtains written permission from the buyer and seller or await court order.
C. He must give it to the seller since the seller is his principal
D. He must do what he thinks is ethical and reasonable in his judgment

27. Don, a real estate broker, has agreed to prepare a deed for the seller in a transaction in which he is the listing agent. If he does not charge the seller a separate fee for this service…

A. He has done nothing illegal since he did not charge a separate fee for this service
B. He may have his license suspended or revoked by the North Carolina Real Estate Commission
C. He has not violated any rules or laws as long as he obtains consent from both parties prior to engaging in this act
D. There is no violation as long as he has a broker's license
28. A seller and a broker are engaged in a dispute over a forfeited earnest money deposit. The seller feels that he does not owe this broker a commission. In fact the seller has no reasonable basis for denying the broker his commission in this case. According to the North Carolina Real Estate Commission what should the broker do about the commission?

I. Take it out of the forfeited earnest money deposit and pay the remainder to the seller
II. Pay the entire forfeited earnest money deposit to the seller and bring a separate legal action for the commission

A. I only
B. II only
C. Both I and II
D. Neither I nor II

29. The right to occupy a property for five or more periods of time involving five or more years is considered a…

I. Time-share
II. Interest in real property

A. I only
B. II only
C. Both I and II
D. Neither I nor II

30. Five days after signing a contract to purchase a new time-share the buyer backs out of the deal. How long does the developer have to refund the purchaser’s money?

A. He has no obligation to return it, as there is a contract
B. Thirty days from the date of purchase
C. Thirty days from the date of cancellation
D. Thirty days from the ten-day period in which these monies had to remain in the trust account
1. B
2. D
3. C
4. D
5. C
6. A
7. A
8. A
9. D
10. D
11. B
12. D
13. C
14. A
15. C
16. D
17. D
18. C
19. C
20. A
21. C
22. A
23. A
24. B
25. D
26. B
27. B
28. B
29. C
30. B