

Chapter 1 Quiz Answers

Multiple Choice (25)

1. All of the following are examples of real property except:
 - a. Trees
 - b. Houses
 - *c. Mobile homes
 - d. Fences

2. Why does the law make distinctions between real property and personal property?
 - *a. Because the classification affects the rights and legal remedies available.
 - b. Because the classification means that some owners do not have legal rights.
 - c. The law does not make a distinction between real and personal property.
 - d. All of the above.

3. Modern real estate law still reflects its roots in what era?
 - a. The Stone Age.
 - *b. The Middle Ages.
 - c. The Colonial period.
 - d. The 20th century.

4. The old common-law rule that "possession is 9/10 of the law" applies to what areas of law?
 - a. Real property only.
 - *b. Personal property only.
 - c. Both real and personal property.
 - d. Neither real nor personal property.

5. Real property interests are transferred by what document?
 - a. Bill of lading.
 - b. Receipt.

*c. Deed.

d. None of the above.

6. Ownership interests in real property are required to be transferred in writing because of:

*a. The Statute of Frauds

b. Statutes of Limitation

c. The Doctrine of Laches

d. All of the above

7. What is the practical outcome when items are classified as real property?

*a. It is not necessary to describe them in the deed.

b. It is necessary to list them separately in a bill of lading.

c. A receipt is necessary to transfer ownership.

d. The statute of limitations will not apply to the transaction.

8. Which of the following characteristics is not unique to real property?

a. The term "real property" always refers to land and anything permanently attached to land.

*b. It is often taxed.

c. Ownership is proven by a deed.

d. Statute of frauds applies to all sales.

9. Which of the following is not a unique physical characteristic of real property?

a. Land is fixed and immovable.

b. No two pieces are identical.

c. The laws governing particular tracts depend on where the tract is located.

*d. Buyers must often obtain financing to purchase it.

10. The name for the type of jurisdiction that arises because of the location of real property.

a. Special jurisdiction.

b. Limited jurisdiction.

*c. In rem jurisdiction.

d. Original jurisdiction.

11. Which of the following is not an element of the economic characteristics of land?

a. Land is an excellent investment.

b. Land is an important source of income for many investors.

c. Land generally depreciates in value over time.

*d. Land cannot be taxed.

12. A person's value in real estate, once he or she has subtracted the amount owed on the property.

a. Jurisdiction.

*b. Equity.

c. Assessment.

d. Containment.

13. Maria has recently had her house appraised. The appraisal lists the house as worth \$300,000. She owes \$120,000 on the home. How much is her equity?

a. \$100,000

*b. \$180,000

c. \$120,000

d. \$300,000

14. The name of the group of professionals who represent sellers, list a house for sale and attempt to locate buyers.

a. Mediators.

*b. Brokers.

c. Arbitrators.

d. Judges.

15. The name for the compensation paid to a broker who has arranged the sale of real estate.

*a. Commission.

b. Valuation.

c. Salary.

d. None of the above.

16. Which of the following is one of the oldest and most easily understood methods of classifying property?

a. By value.

b. By appearance.

*c. By use.

d. All of the above.

17. Land that does not contain any structures.

a. Residential.

b. Farmland.

c. Commercial property.

*d. Unimproved land.

18. Buildings, fences, bonds and other structures fall into this category.

*a. Improvements.

b. Assessments.

c. Liabilities.

d. Encumbrances.

19. Land that has a structure designed to be used for personal living, such as a home.

a. Commercial property.

*b. Residential property.

c. Improvements.

d. Light industry.

20. Residential property that consists of five or more living units.

- a. Mobile home.
- b. Cooperative.
- c. Condominium.
- *d. Apartment.

21. This classification gives the president and ownership interest in the interior of the dwelling, but no rights to the exterior.

- *a. Condominium.
- b. Cooperative.
- c. Townhouse.
- d. Apartment.

22. A form of real property where the owner has title to both the interior and exterior of the structure; resembles an apartment.

- a. Condominium.
- b. Cooperative.
- *c. Townhouse.
- d. Apartment.

23. Mobile homes are generally classified as:

- a. Real property.
- *b. Personal property.
- c. Neither real nor personal property.
- d. None of the above.

24. An industrial park would be classified as:

- *a. Industrial property.
- b. Retail property.
- c. Residential property.

d. An apartment.

25. Federal, state and local governments own what percentage of the total landmass in the United States?

a. 25%

*b. 33%

c. 50%

d. 66%

True-False (10)

1. Manufactured houses are never considered to be real property.

a. True

*b. False

2. A mobile home may be considered real property, depending on the nature of its attachment to land.

*a. True

b. False

3. Shopping centers are examples of residential property.

a. True

*b. False

4. Unimproved land prefers to land containing structures.

a. True

*b. False

5. Real property refers to land and anything permanently attached to land.

*a. True

b. False

6. Taxes are assessed against real and personal property in the same way.

a. True

*b. False

7. The sale of real property involves the sale of all items permanently attached to the land, which is why individual items are not required to be listed.

*a. True

b. False

8. The government usually owns recreational property.

*a. True

b. False

9. Industrial properties usually broken down into two subcategories: light industry and commercial.

a. True

*b. False

10. When a manufactured home becomes permanently attached to land, it is reclassified as real estate.

*a. True

b. False