Illinois Quiz - 2001 - Chapter 16

1. Salesperson Christopher may be subject to discipline by the Office of Banks and Real Estate if he:
   A) Has only one employing broker.
   C) Sells only commercial real estate.
   D) Collects a commission from his employing broker.

2. Complaints may be filed against Illinois real estate licensees by:
   A) Anyone.
   B) The Executive Director of Real Estate only.
   C) The attorney general only.
   D) The seller only.

3. Prior to initiating any formal disciplinary proceeding resulting from an investigation, all of the following are true EXCEPT:
   A) The matter will be reviewed by a subcommittee of the board.
   B) The matter will be reviewed by the full board.
   C) The matter could be dismissed as being without merit.
   D) The subcommittee will make a recommendation to the full board.

4. Broker Whitmore is licensed by the state of Illinois. Which of the following activities is cause for the disciplining of her real estate license?
   A) Using untruthful advertising.
   B) Using blind advertising.
   C) Depositing escrow money in her personal bank account.
   D) All of the above.

5. Which of the following activities do not require a license if performed for another for a fee?
   A) Exchanging real property
   B) Renting real property
   C) Appraising property
   D) Selling real property

6. Salesperson Paul was found guilty of a violation of the License Act. Paul's employing broker may also be punished if:
   A) His broker had no knowledge of the violation.
   B) His broker had prior knowledge of the violation.
   C) His broker had more than five salespersons under her control.
   D) His broker had a written sales employment contract with Paul.
7. Broker Timothy's real estate license may be suspended or revoked for any of the following reasons EXCEPT:
A) Holding a real estate license in more than one state.
B) Seeking licensing by false representation.
C) Conviction of a felony in a federal court.
D) Discipline by another state on grounds equivalent to those set in Illinois.

8. Broker Rodriguez is offering a "guaranteed sales plan." Broker Rodriguez must do all of the following EXCEPT:
A) Provide the details of the plan in writing to the parties.
B) Provide evidence of financial ability to purchase the property.
C) Market the property differently than all other properties.
D) Upon default, be subject to all penalties of the act and also a civil penalty.

9. Which of the following is the best definition of a guaranteed sales plan?
A) The broker guarantees to sell the house at the list price.
B) The broker guarantees to sell the house within the listing period.
C) The broker guarantees to buy the house under stated conditions.
D) The broker guarantees to sell the house without charging a commission.

10. A licensee may be disciplined if found to be in violation of which of the following acts?
A) Illinois Time-Share Act.
B) Rules of the License Act.
C) Tax Act.
D) All of the above.

11. All of the following activities require a real estate license EXCEPT:
A) Appraising real property.
B) Selling real estate part-time.
C) Developing and selling real property.
D) Selling real estate full-time.

12. Christina has just passed the licensing examination. Within what time period must she become sponsored in order to receive an operative license?
13. A real estate license is automatically terminated as a result of which of the following acts?
   A) Payment out of the Recovery Fund as a result of the licensee's act(s).
   B) False advertising by a licensee.
   C) Commingling of funds by a licensee.
   D) Cheating on the license examination.

14. Alyssia has not renewed her real estate license for over three years. What
   A) Take a 15-hour refresher course only.
   B) Take a 15-hour advanced real estate principles course only.
   C) Take a 45-hour real estate transactions course only.
   D) Take a 45-hour real estate transactions course and pass the state exam.

15. The Illinois License Act requires that, to perform real estate activities as a broker or a salesperson, all of the following must hold a real estate license EXCEPT:
   A) Individual.
   B) Corporation.
   C) Partnership.
   D) Trustee in bankruptcy.

16. Which of the following statements is true in regard to licensing of corporations as real estate brokers?
   A) Corporations do not require a license to act as a real estate broker.
   B) Officers who actively participate in the business must hold a broker's license.
   C) An individual salesperson may control more than 49% of the stock.
   D) A group of salespersons may control more than 49% of the stock.

17. Which one of the following are exempt from the education requirements to qualify for a broker's license?
   A) An attorney who is actively licensed to practice law before the Illinois Supreme Court.
   B) A person with 90 hours of college course work.
   C) A person with an Associate of Arts degree in real estate.
   D) A person with a BA degree from an Illinois university.
18. Which of the following statements is true in regard to the payment of commission to nonresident brokers?
A) Illinois brokers may not pay a commission to nonresident brokers.
B) Illinois brokers must split commissions to nonresident brokers on a 50-50 basis.
C) Illinois brokers may pay a commission to nonresident brokers.
D) Illinois brokers may pay commission only to nonresident brokers who hold a reciprocal license.

19. Salesperson Kyle left the employ of Broker Mark. Broker Mark must:
A) Within 2 days, send a copy of Kyle’s license to the OBRE
B) Immediately remove Kyle's license from display in the office.
C) Publish notice of the termination in the local newspaper.
D) Cancel all of Kyle's listings.

20. Jay has passed the state examination. He also must meet all of the following requirements for licensure EXCEPT:
A) Be sponsored by a license broker.
B) Be of good moral character.
C) Be at least 18 years of age.
D) Be a college graduate.

21. Which of the following statements is NOT true regarding applicants for licensure?
A) Applicants for a sales license must have proof of 45 hours of course work approved by the board and pass the state salesperson exam.
B) Applicants for a broker's license must have proof of 120 hours of course work approved by the board and pass the state broker exam.
D) Applicants under age 21 may be licensed under specific circumstances.

22. Which one of the following statements regarding the state examination is NOT true?
A) Persons failing the state exam 3 times must retake the education requirements (45 hours for the salesperson candidate and 75 additional hours (total of 120 hours) for the broker candidate) to be eligible to sit for the exam.
B) Persons passing the examination have three years to apply and meet all the requirements for licensure.
C) Persons passing the exam may be issued a 45-day temporary work permit.
D) Persons passing the exam must have a sponsoring broker in order to become licensed.
23. All of the following statements are true regarding sponsor cards EXCEPT:
   A) The broker must mail the Office of Banks and Real Estate a copy of the sponsor card within 24 hours of its issuance
   B) A sponsor card cannot be issued to a person unless that person has a valid license or pass notice.
   C) Each time a licensee changes employing brokers a new sponsor card must be issued.
   D) Sponsor cards are valid indefinitely.

24. Salesperson Conan is employed by a broker whose license has been revoked. Which one of the following statements is now true regarding Conan? Conan:
   A) can now receive commissions from another broker.
   B) can continue to practice real estate for his employing broker.
   C) cannot change employing brokers.
   D) cannot practice real estate unless his employer has an operative license.

25. Salesperson Kayla, a real estate licensee, is required to do all of the following EXCEPT:
   A) Carry a pocket card or sponsor card while engaging in real estate activities.
   B) Display her wall certificate or license in her employing broker's office.
   C) Renew her license when her broker renews his license.
   D) Renew her license every two years.

26. Broker Deborah owns and operates a real estate brokerage. All of the following are requirements of the License Act EXCEPT:
   A) A conspicuous identification sign displayed on the outside of her office.
   B) Her broker's license conspicuously displayed in the office.
   C) All of the licenses of the salespersons she employs displayed in her office.
   D) Deborah can own only one real estate office.

27. Eric owns a branch office. Which of the following statements is true concerning his branch office?
   A) The branch must have the same name or show a relationship to the main office.
   B) The branch may have a salesperson in control of the office.
   C) The branch may not have an escrow account.
   D) The licenses of branch employees must be displayed in the main office.
28. All of the following statements in regard to expired licenses are true EXCEPT:
A) Licenses expired for more than 2 years, but less than 3 years must retake the state exam.
B) Licenses expired for fewer than 2 years may be renewed by the payment of the required fees.
C) Expired licenses may not be renewed under any circumstances.
D) Licenses expired for more than 3 years may not be renewed.

29. Hildred, a real estate broker licensed in another state, wishes to apply for reciprocity in Illinois. Which of the following statements is most true in regard to license reciprocity?
A) Reciprocity is granted only to licensees in states whose borders touch Illinois.
B) Reciprocity is granted to licensees in states with similar licensing requirements.
D) Reciprocity is not granted by Illinois.

30. Which of the following is true about a broker working for a broker?
A) He cannot advertise without the name of the brokerage firm.
B) He cannot have his own escrow account.
C) He must be supervised by the broker for which he is working.
D) All of the above.

31. John owns a 4 unit apartment building. He advertises a vacant apartment in his building on the internet:
A) can advertise whatever he wants because he owns the building.
B) has violated the federal fair housing act.
C) must state the age of the children he will accept in the ad.
D) cannot state “no children” unless he is over 55.

32. The 1968 Supreme Court case that upheld the Civil Rights Act of 1866 and represented the first time the Act was used in a private housing discrimination case is:
A) Jones v. Alfred H. Mayer
B) Tyson v. Holyfield
C) Brown v. the Board of Education
D) Pearson v. Johnson
33. Salesperson Charles had a special listing, which he advertised separately and paid for with the permission of the owner and the broker. Which of the following statements is most correct?

B) Charles is not permitted to pay for any advertising.
C) Charles may not use the broker's name in ads for which Charles pays.
D) Charles may run the ad but must include the broker's name.

34. Broker Dan and salesperson Donna have an employment agreement. This

A) Sales quotas.
B) Supervision.
C) Method of compensation.
D) Duties and responsibilities.

35. An unlicensed personal assistant can do all of the following EXCEPT:
A) show property
B) manage the escrow account
C) draft and place advertising
D) duties and responsibilities

36. Judy, an Illinois real estate licensee, must do all of the following EXCEPT:
A) disclose in writing her interest in a listed property.
B) disclose the fact that she is a real estate licensee in advertising her own property.
C) have only one employing broker.
D) accept a commission from any licensed broker.

37. Salesperson Darrel, in the performance of his duties, may:
A) Fill in the blanks of a contract after signing of the contract.
C) Provide true copies of original or corrected contracts to all parties.
D) Use as binding sales contracts, contracts designated "Offer To Purchase."

38. Herb, a real estate broker, must do all of the following EXCEPT:
A) Account for documents in his possession that belong to others.
B) Upon request, furnish copies of all documents relating to a transaction.
C) Draft or prepare contracts as needed.
D) Provide true copies of contracts and other documents to all parties within 24 hours of their signing.
39. Brokers who receive others' moneys are required by the license act to do all of the following EXCEPT:

- B) Maintain escrow moneys in a separate account
- C) Disburse interest earned in an escrow account according to the direction of all parties.
- D) Maintain operating funds separate from escrow funds.

40. Salesperson Karrie following statements is NOT true concerning the listing?

A) The listing contract must contain a definite termination date.
B) Notice of the expiration of the listing must be provided.
C) The listing without a termination date is void.
D) The listing may contain a protection period.

41. All of the following statements are true regarding the Real Estate Recovery Fund EXCEPT:

A) Recovery can be sought for acts performed by the public.
B) $50,000 is the maximum liability recoverable against any single broker’s act(s).
C) Action for judgment for recovery must be started within 2 years of the knowledge of such acts.
D) Recovery can be sought only after diligent search for recovery from the licensee’s own assets.

42. Broker Joan, in the performance of her duties, may do which of the following?

A) Induce a party to break a sales contract in order to substitute a new contract.
B) Negotiate sale of real property directly with an owner who has an exclusive listing agreement with another broker.
C) Discuss a future listing with a seller who has a listing with another broker when the seller initiates the contact.
D) Induce a party to break a listing contract in order to substitute another listing contract.

43. The purpose of the Illinois Real Estate License Act of 2000 is to:

A) Evaluate the competency of persons engaging in the business.
B) Protect the public.
C) Set commission rates.
D) Both a and b.
44. The broker must withdraw earned commissions from his trust account:
   A) Thirty days after termination or closing of the transaction.
   B) Not later then the next business day after termination or closing of the transaction.
   C) Within one week after termination or closing of the transaction.
   D) Within 10 days after termination or closing of the transaction.

45. All of the following are true regarding rental finding services EXCEPT:
   A) Persons operating a rental finding service must obtain real estate licenses.
   B) A contract must be entered into before accepting a fee for services.
   C) These services can advertise a rental unit without the written authority of the owner.
   D) These services must provide a detailed statement of their rental finding services.

46. Escrow moneys can be defined as and include:
   A) Promissory notes.
   B) Earnest money.
   C) Security deposits.
   D) All of the above.

47. Broker Goldman must maintain her escrow moneys in which of the following?
   A) A special account separate from the operating account.
   B) A federally insured depository.
   C) Her operating account.
   D) Both a and b.

48. All real estate brokers must maintain in their office a bookkeeping system that includes:
   A) A journal for each special account.
   B) A ledger showing the receipt and disbursement of funds.
   C) A reconciliation of the bank statement within 10 days of receipt.
   D) All of the above.

49. Broker Ben was found guilty of commingling. This activity is best described as:
   A) Placing personal funds in special accounts.
   B) Placing escrow funds in one special account.
   C) Using escrow funds for personal expenses.
   D) Having more than one special account.
50. All of the following statements are true in regard to withdrawals from special accounts EXCEPT:
A) Commissions are withdrawn on the day the transaction is consummated or the next business day.
B) Interest is withdrawn in accordance with the written agreement of the parties.
C) In case of dispute, withdrawal can be made in order to reimburse the broker for handling the escrow funds.
D) Withdrawals can be made when the broker deems appropriate.
License Law Quiz
Chapter 16

1. Ans: B
2. Ans: A
3. Ans: B
4. Ans: D
5. Ans: C
6. Ans: B
7. Ans: A
8. Ans: C
9. Ans: C
10. Ans: D
11. Ans: A
12. Ans: B
13. Ans: A
14. Ans: D
15. Ans: D
16. Ans: B
17. Ans: A
18. Ans: C
19. Ans: A
20. Ans: D
21. Ans: C
22. Ans: B
23. Ans: D
24. Ans: D
25. Ans: C
26. Ans: D
27. Ans: A
28. Ans: C
29. Ans: B
30. Ans: D
31. Ans: B
32. Ans: A
33. Ans: D
34. Ans: A
35. Ans: A
36. Ans: D
37. Ans: C
38. Ans: C
39. Ans: A
40. Ans: B
41. Ans: A
42. Ans: C
43. Ans: D
44. Ans: B
45. Ans: C
46. Ans: D
47. Ans: D
48. Ans: D
49. Ans: A
50. Ans: D