



Virginia



Real Estate Exam Prep

FOURTH EDITION



Dearborn™

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Q U E S T I O N S

1. The purpose of Virginia real estate law is to
 1. provide uniformity of real estate practice.
 2. protect the public interest.
 3. encourage real estate practice.
 4. discipline real estate professionals.
2. In the application for a broker's license, *actively engaged* is defined as performing real estate activities for an average of
 1. 20 hours per week.
 2. 30 hours per week.
 3. 40 hours per week.
 4. 40 hours per month.
3. A licensee who obtains a broker's license but continues to work under the supervision of a principal broker is referred to as
 1. a broker.
 2. an associate broker.
 3. an assistant broker.
 4. a broker agent.
4. The principal broker of a firm is a broker who is
 1. the owner of the firm.
 2. a senior member of the firm.
 3. responsible for the activities of the firm and all its licensees.
 4. selling her own property.
5. An individual associate broker who has been assigned to supervise the activities of a branch office is referred to as
 1. a broker.
 2. an associate broker.
 3. a supervising broker.
 4. a principal broker.
6. A licensee who acts for or represents a client in an agency relationship in Virginia is defined as a
 1. standard agent.
 2. facilitator.
 3. transaction broker.
 4. fiduciary agent.
7. The legal definition of real estate in Virginia would *NOT* include a
 1. condominium unit.
 2. time-share unit.
 3. recreational vehicle.
 4. town house.
8. The official name of the regulatory body responsible for administering the Virginia real estate licensure law is the
 1. Department of Professional and Occupational Regulation (DPOR).
 2. Virginia Real Estate Commission.
 3. Virginia Real Estate Board.
 4. Real Estate Board.
9. The Real Estate Board consists of
 1. nine licensed brokers or salespersons.
 2. seven licensed brokers or salespersons.
 3. nine licensed brokers or salespersons and two citizens.
 4. seven licensed brokers or salespersons and two citizens.
10. Members of the Real Estate Board are
 1. selected by the Virginia Association of REALTORS®.
 2. elected by the public.
 3. appointed by the governor for a four-year term.
 4. elected by state real estate licensees.

11. The Real Estate Board has the authority to do all of the following *EXCEPT*
 1. to issue and renew real estate licenses.
 2. to enforce license law.
 3. to determine license fees.
 4. to establish commission rates.
12. A licensee may only have his real estate license revoked by the
 1. Real Estate Board.
 2. state association of REALTORS®.
 3. local association of REALTORS®.
 4. civil court.
13. The Real Estate Board is responsible for administering the Virginia
 1. Fair Housing Act.
 2. Condominium Act.
 3. Environmental Protection Act.
 4. Residential Property Disclosure Act.
14. One of the responsibilities of the Real Estate Board is to
 1. arbitrate disputes between brokers.
 2. approve schools for teaching authorized courses for license exam preparation.
 3. standardize listing agreements and sales contracts.
 4. establish commission rates.
15. Any person, firm, partnership, association, corporation, limited liability company, or sole proprietor that sells or offers to sell property in Virginia must be licensed in Virginia if they
 1. expect to receive compensation for the sale of the property.
 2. own more than four properties.
 3. accept a fee, commission, or other valuable consideration.
 4. are licensed in another state.
16. When a person is engaging in real estate brokerage without a license, the Real Estate Board may
 1. issue a cease and desist order but take no further action.
 2. impose a civil penalty not to exceed \$5,000.
 3. issue a cease and desist order and impose a civil penalty not to exceed \$1,000.
 4. issue an arrest warrant for the unlicensed practitioner.
17. The Common Interest Community (CIC) Board is responsible for administering all of the following *EXCEPT*
 1. the Condominium Act.
 2. the Virginia Time-Share Act.
 3. the Residential Property Disclosure Act.
 4. the Property Owners' Association Act.
18. All of the following requirements must be met by every person wishing to be licensed as a real estate salesperson *EXCEPT*
 1. the person must be at least 21 years old.
 2. the person must be honest, truthful, and competent to transact real estate business.
 3. the person must meet current educational requirements by achieving a passing grade in required courses.
 4. the person must not have been convicted of any felony in any U.S. jurisdiction.
19. Although there are some electives allowed in courses that may be taken to qualify for the Virginia broker's license, everyone must take the course in real estate
 1. law.
 2. finance.
 3. brokerage.
 4. appraisal.

20. All of the following are eligible to apply for a salesperson's license as a business entity *EXCEPT*
1. two or more licensees who are owners.
 2. a partnership filing a certificate on a form provided by the Board.
 3. a corporation filing a certificate on a form provided by the Board.
 4. a limited liability company that is not authorized to do business in Virginia.
21. A person residing in North Carolina may obtain a Virginia real estate license by meeting all of the same requirements as a Virginia resident with an additional requirement to
1. promise to move to Virginia within a 12-month period.
 2. file an irrevocable consent to suits and services.
 3. purchase property in Virginia within three months.
 4. take the Virginia license exam.
22. In order to apply for concurrent licenses with two separate brokerage firms, the licensee must be
1. a salesperson with approval of both principal brokers.
 2. an associate broker with approval of both principal brokers.
 3. an associate broker with permission from her current broker.
 4. an associate broker with an expired license associated with the same firm.
23. A real estate licensee in West Virginia will be granted a license by reciprocity in Virginia if he
1. plans to practice in Virginia.
 2. takes and passes the written exam on Virginia license law prior to making application.
 3. takes and passes a written exam on Virginia real estate license law within 12 months after making application.
 4. signs an affidavit that he has read and understands the Virginia real estate license law.
24. All of the following requirements must be met by an applicant for salesperson licensure by reciprocity in Virginia *EXCEPT*
1. that the applicant must be at least 18 years of age.
 2. that the applicant must be in good standing in every jurisdiction where licensed.
 3. that the applicant must have been actively engaged in real estate practice for 36 of the preceding 48 months.
 4. that the applicant must have been actively engaged in real estate practice for 12 of the preceding 36 months.
25. Every member of an LLC, officer of a corporation, and principal in a partnership who owns and actively participates in the firm's Virginia brokerage business
1. must be a principal broker.
 2. may be either a salesperson or an associate broker.
 3. must hold a license as a Virginia real estate broker.
 4. may practice using the principal broker's Virginia license.
26. A salesperson or associate broker may choose to be licensed as a business entity in order to
1. provide liability protection and tax advantages.
 2. act as a real estate brokerage company.
 3. advertise without including the principal broker's name.
 4. preserve her identity from the public.
27. All of the following are exempt from licensure in Virginia *EXCEPT*
1. an owner dealing with his own property.
 2. an attorney-at-law in performance of her duties.
 3. a salaried employee of a licensed broker negotiating rents for an owner.
 4. a trustee in bankruptcy acting under order of the court.

28. Application, renewal, and reinstatement fees are set by the
1. Virginia General Assembly.
 2. Real Estate Board.
 3. Department of Professional and Occupational Regulation.
 4. Association of REALTORS®.
29. All initial applications for licensure must be made
1. within 12 months of completing a real estate license course.
 2. within 12 months of passing the state real estate exam.
 3. within 6 months of completing a real estate license course.
 4. prior to taking the state real estate exam.
30. A person who has passed the state real estate license exam but wishes to affiliate with a company where he will not actively practice real estate is considered by the Real Estate Board as
1. an active agent.
 2. an inactive agent.
 3. a referral agent.
 4. a part-time agent.
31. What is the benefit to a licensee becoming a referral agent, rather than becoming inactive?
1. The annual license fee is less.
 2. A referral agent does not have to be affiliated with any broker.
 3. A referral agent may be paid a referral fee for referring prospective buyers and sellers to the broker with whom they are affiliated.
 4. A license does not have to be renewed biennially.
32. Real estate licenses of salespersons, brokers, and firms all expire
1. on the first day of January every two years.
 2. biennially on the last day of the month in which the license was issued.
 3. annually on the last day of the month in which the license was issued.
 4. biennially on the last day of the licensee's birth month.
33. A licensee moved six months prior to his license renewal and did not notify the Real Estate Board of his new address. Consequently, he did not receive a renewal notice from the Real Estate Board. The licensee will have
1. an additional two months to renew without penalty.
 2. no penalty since he did not receive a renewal notice.
 3. a 30-day grace period to reinstate without penalty.
 4. an automatic penalty of \$100.
34. Under what circumstances, if any, may an expired license be reinstated?
1. Within 30 days by paying the regular renewal fee plus reinstatement fee and completing the continuing education requirement
 2. Within one year by paying the regular renewal fee and reinstatement fee and completing the continuing education requirement
 3. Within one year by paying the reinstatement fee and completing the continuing education requirement
 4. Within 13 months by paying the reinstatement fee and completing the continuing education requirement
35. All salesperson licensees are required to complete continuing education requirements every two years consisting of
1. 12 hours of approved classroom hours.
 2. 12 hours of approved classroom, correspondence, or other distance learning hours on any real estate-related topics.
 3. 16 hours of approved classroom, correspondence, or other distance learning hours, of which 8 hours must be on ethics and standards of conduct, fair housing, legal updates, agency, and contracts.
 4. 8 hours of classroom training with 2 hours of fair housing and ethics.

36. Each branch office of a Virginia real estate brokerage firm is required to do all of the following *EXCEPT*
1. be affiliated with a principal broker maintaining a place of business in Virginia.
 2. have and display a separate license for a branch office.
 3. be supervised and managed by a principal or an associate broker.
 4. display licenses of all salespersons and associate brokers.
37. All broker licensees are required to complete continuing education requirements every two years consisting of
1. 16 hours of approved classroom, correspondence, or other distance learning hours of which 8 hours must be on ethics and standards of conduct, fair housing, legal updates, agency, and contracts.
 2. 16 hours of approved classroom, correspondence, or other distance learning hours of which 8 hours must be on supervision and management of real estate agents and brokerage firms.
 3. 24 hours of approved classroom, correspondence, or other distance learning hours of which 8 hours must be on supervision and management of real estate agents and brokerage firms, 2 hours of fair housing, 3 hours of ethics and standards of conduct, and 1 hour each in legal update, agency, and contracts.
 4. 30 hours of approved classroom, correspondence, or other distance learning hours of which 8 hours must be on supervision and management of real estate agents and brokerage firms, 2 hours of fair housing, 3 hours of ethics and standards of conduct, and 1 hour each in legal update, agency, and contracts.
38. A real estate office can be located in the principal broker's residence
1. if the principal broker is a sole proprietor.
 2. if the principal broker is retired and only practicing part time.
 3. when the place of business is accessible by the public.
 4. if the place of business is separate and distinct from the living quarters of the residence and accessible by the public.
39. The principal broker must have readily available to the public in the main office the licenses of the
1. principal broker and firm.
 2. principal broker, firm, and branch offices.
 3. principal broker, firm, and all licensees affiliated with the firm.
 4. principal broker only.
40. Filing a change of residence with the Real Estate Board within 30 days of the change is the sole responsibility of the
1. principal broker.
 2. supervising broker.
 3. licensee.
 4. local REALTOR® association.
41. Broker escrow accounts must be
1. provided by every licensed broker.
 2. the repository for all earnest money deposits.
 3. designated and labeled as *escrow*.
 4. transferred to the company's operating account every five days.
42. Funds in the escrow account may be dispersed for any of the following reasons *EXCEPT*
1. when all principals to the transaction agree in writing to the disposition.
 2. when a court orders disbursement of the funds.
 3. when the seller demands forfeiture of the earnest money deposit.
 4. when the transaction is consummated.

43. Money in the broker's escrow account that will ultimately belong to the broker would be considered as commingling only when
1. it is clearly marked as personal funds of the broker and left in the account.
 2. such money is removed in intervals of not more than six months.
 3. it is a nominal amount used to establish or maintain the escrow account.
 4. withdrawals for payment of commissions are not regularly made at the end of a transaction.
44. All monies required to be held in an escrow account must be deposited within
1. three calendar days from contract or lease.
 2. three business banking days from contract or lease.
 3. five calendar days from contract or lease.
 4. five business banking days from contract or lease.
45. All of the following financial records must be kept by the principal broker *EXCEPT*
1. the name of the party from whom money was received.
 2. the date and amount of money received.
 3. the place and date of deposit.
 4. whether the money came from a checking or savings account or from gifted funds.
46. If the sole proprietor of a firm dies or becomes disabled, the Real Estate Board can appoint any of the following individuals to conclude the business of the broker *EXCEPT*
1. the broker's 17-year-old son.
 2. an unlicensed employee of the broker.
 3. the executor or administrator of the broker's estate.
 4. the broker's spouse.
47. An individual appointed to carry out the conclusion of a broker's business is only authorized to act in this capacity for a period of
1. 30 days.
 2. 60 days.
 3. 180 days.
 4. 365 days.
48. *Disclosure* in the context of online advertising requires that the ad include all of the following *EXCEPT*
1. the firm's licensed name.
 2. the names of all agents.
 3. the city and state in which the firm's main office is located.
 4. the jurisdiction in which the firm holds a license.
49. All of the following are included in the Real Estate Board's definition of *advertising EXCEPT*
1. an ad in the local paper.
 2. a listing on a company Web site.
 3. an owner telling fellow workers about a property.
 4. an agent's business card.
50. All advertisements placed by a salesperson should be under the direct supervision of the principal or supervising broker. These advertisements must include the broker's name in the ad
1. in larger print than the agent's name.
 2. in the same size print as the agent's name.
 3. above the agent's name.
 4. clearly and legibly.
51. A licensee selling his own home is only required to disclose his ownership interest in newspaper ads and on the For Sale sign if he
1. lists the property with another agent in his office.
 2. lists the property with himself as the listing agent.
 3. plans to sell the property as a for sale by owner.
 4. lists the property with a broker other than the one with whom he is affiliated.
52. A licensee has listed her own home with her company. She will be required to disclose her ownership interest on
1. an ad in the local newspaper.
 2. the For Sale sign in her yard.
 3. a featured listing on the company Web site.
 4. a sales contract.



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This comprehensive and valuable study tool includes:

- 210 state-specific questions on real estate license law and practice—designed to mirror PSI style—written and reviewed by real estate experts and professionals
- Answers and explanations for all questions
- A no-nonsense format that cuts right to what is important: testing your knowledge of Virginia real estate law



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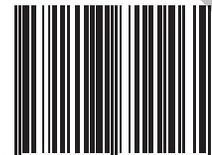
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