

SAMPLE EXAM

(From a Retired Final Exam for the "Record Keeping" Course)

See how our online testing section works.

1. Which of the following types of escrow accounts must a broker keep if appropriate to the type of business he does?

Sales trust account

Management trust account

Security deposit trust account

All of the above

2. In each of the trust accounts, the broker must do or is able to do which of the following?

Be able to withdraw money from the account

Many authorize others to withdraw funds

Both of the above

Neither of the above

3. Which of the following is true of trust accounts?

If trust funds are misused by someone other than the broker and that person is authorized to withdraw funds, the broker is not liable for the misuse

A separate account shall not be used as a depository for monies belonging to salespeople

Absolutely no funds belonging to the broker may be kept in any trust account

None of the above

4. Monies belonging to other that need to be placed in trust accounts includes which of the following?

Monies received for partnerships

Monies owed to salespeople for commissions earned

Collections for IRS employees withholding funds

All of the above

5. When a check is received as earnest money, the regulations require:

It must be deposited in the trust account within two business days after receipt

May be withheld from presentment only if so disclosed in the contract or by written instruction of the seller

If after presentment, payment is not made, the broker shall promptly notify the buyer

The check may both be withheld from presentment only if so disclosed in the contract or by written instruction of the seller, and if after presentment, payment is not made, the broker shall promptly notify the buyer

6. When a broker has an exclusive right to sell or an exclusive agency listing, which of the following are true?

The earnest money and the contract are to be held by the selling broker

Any notes or checks are to be endorsed to the selling broker and held by the selling broker until the closing

The earnest money received must be deposited within one business day into the escrow account

Any notes or checks are to be endorsed to the selling broker and held by the selling broker until the closing and the earnest money received must be deposited within one business day into the escrow account

7. Which of the following records must a broker maintain in connection with escrow accounts?

An account journal

A ledger

A bank reconciliation worksheet

All of the above

8. When the broker collects monies for advertising expenses in regard to the sale of real property:

the broker may use these funds for the broker's purposes after 30 days have passed

a broker may take a non-refundable retainer legally

an accounting must be rendered of all withdrawals within 30 days of the withdrawal of any of the above funds

None of the above

9. If the broker prepares instruments pertaining to the consummation of the sale, leasing or purchase of real estate, he or she must do which of the following?

The broker shall retain copies of these documents in his or her files

Deliver a copy of any deed, note, or deed of trust prepared for third party lenders to all parties

Both of the above

Neither of the above

10. Which of the following is true of closing statements?

The broker must retain a copy of all closing statements approved by the parties

The closing statement must be signed by the broker or his agent

Both of the above

A broker may not transfer funds pertinent to a closing, prior to a closing

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